

# Vote 3

## Cooperative Governance and Traditional Affairs

### Budget summary

R million	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	188.1	184.8	0.2	3.1	197.7	205.1
Policy, Research and Knowledge Management Support	50.1	47.4	–	2.7	51.4	53.1
Governance and Intergovernmental Relations	43 570.8	299.7	43 266.8	4.3	50 076.5	56 850.6
National Disaster Management Centre	41.6	38.7	–	2.9	42.8	44.2
Traditional Affairs	70.9	49.1	21.4	0.4	80.8	85.3
<b>Total expenditure estimates</b>	<b>43 921.5</b>	<b>619.7</b>	<b>43 288.5</b>	<b>13.3</b>	<b>50 449.1</b>	<b>57 238.3</b>

Executive authority

Minister of Cooperative Governance and Traditional Affairs

Accounting officer

Director-General of Cooperative Governance and Traditional Affairs

Website address

[www.cogta.gov.za](http://www.cogta.gov.za)

*The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.*

### Aim

*The aim of the Department of Cooperative Governance and Traditional Affairs is to improve cooperative governance across the three spheres of government, in partnership with institutions of traditional leadership, thereby ensuring that provinces and municipalities carry out their service delivery and development functions effectively.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Management, leadership and administration of the department.

#### Programme 2: Policy, Research and Knowledge Management Support

**Purpose:** Specialised support services to the department in the areas of research and knowledge management, policy formulation, monitoring and evaluation, and information and business technologies.

#### Programme 3: Governance and Intergovernmental Relations

**Purpose:** Improve vertical and horizontal coordination and alignment between the three spheres of government. Promote public participation in governance through regulatory mechanisms as well as oversight, intervention and support programmes to provinces, municipalities and associated institutions.

## **Programme 4: National Disaster Management Centre**

**Purpose:** An integrated and coordinated system of disaster management with special emphasis on prevention, mitigation and preparedness by national, provincial and municipal organs of state, statutory functionaries and other role players involved in disaster management.

## **Programme 5: Traditional Affairs**

**Purpose:** Improve the developmental capacity and capability of the institution of Traditional Affairs.

## **Strategic overview: 2006/07 – 2012/13**

Established in May 2009, the Department of Cooperative Governance and Traditional Affairs extends the mandate of its predecessor, the Department of Provincial and Local Government. Lessons learnt over the last 15 years from implementing the principles of cooperative governance, as espoused in the Constitution, provide the basis for the expanded mandate and revised functions of the new department. The new department will place greater emphasis on strengthening coordination across the three spheres of government, supporting local and provincial government, improving regulatory compliance, and building capacity in traditional leadership institutions. Further emphasis will be placed on working with partners, stakeholders and communities outside of government as a way of deepening cooperative governance in South Africa.

In the period under review, the department and its predecessor have made considerable effort to improve the way in which all three spheres of government work in order to provide seamless and integrated service delivery across the spheres.

### **Strategic priorities for 2009-2014**

Based on the expanded mandate of the department, five strategic priorities have been identified for the period 2009 – 2014: building a developmental state in provincial and local government that is efficient, effective and responsive; strengthening accountability and clean government; accelerating service delivery and supporting the vulnerable; improving the developmental capability of traditional leadership institutions; and fostering development partnerships, social cohesion and community mobilisation.

#### *Coordinated approach to development across all spheres of government*

Significant headway has been made in developing planning mechanisms that guide a holistic and coordinated approach to development across government. In 2008/09, all municipalities had adopted their integrated development plans within the legislated timeframes. Moreover, additional attention has been given to aligning the provincial growth and development strategies with municipal integrated development plans, based on the principles of the national spatial development perspective.

To achieve its strategic objectives, over the medium term the department will concentrate on reviewing the legislative and regulatory framework that governs intergovernmental relations. The review will inform a comprehensive set of facilitative legal reforms, including the refinement of the public participation system to achieve an effective ward governance system. To support the reforms, the department will bolster its monitoring and evaluation capabilities by establishing a computerised monitoring, reporting and evaluation system and continuing to implement operation clean audit 2014.

The department has supported provincial and local government through a series of institutional reforms. In provincial government, the capacity of provincial departments of local government and offices of premiers has been reviewed to establish their ability to coordinate, facilitate and support the implementation of programmes in local government.

#### *Promoting universal access to basic services*

Promoting universal access to basic services for all citizens remains a key government priority. Here, substantial progress has been made in reducing the infrastructure backlog. Statistics from sector departments indicate that as at December 2009, access to basic water services had increased to 92 per cent, the eradication of backlogs in

basic sanitation to 69 per cent, refuse collection to 64 per cent, and access to basic electricity to 81 per cent. 244 258 buckets, or 96.8 per cent of the backlog of 252 254 buckets identified in February 2005, had been eradicated by July 2009.

Spending on the municipal infrastructure grant increased from R5.9 billion in 2006/07 to R9.1 billion in 2008/09, reflecting an improvement in municipalities' ability to spend on infrastructure. As at December 2009, the department had assisted 46 district and 6 metropolitan municipalities to develop comprehensive infrastructure plans that guide the building, rehabilitation and maintenance of economic and social infrastructure in their geographical areas.

#### *Institutionalising traditional leadership*

The institution of traditional leadership is an integral part of the social and economic fabric in rural areas and has an important role to play in promoting good governance and improving the life of traditional communities, as well as the Khoi-San communities. To reinforce the role of traditional leadership and its importance in South African society, the proclamation to establish the Department of Traditional Affairs was issued in December 2009. The responsibilities for traditional affairs will continue to reside in the Department of Cooperative Governance and Traditional Affairs throughout 2010/11 while the structure and operations of the Department of Traditional Affairs are being finalised.

#### *The community work programme*

The community work programme moves to the Department of Cooperative Governance and Traditional Affairs in 2010/11. It aims to provide work opportunities to historically marginalised communities.

#### *Local government turnaround strategy*

Province wide assessments of each of the 283 municipalities resulted in a consolidated report on the state of local government. This report informed the development of a local government turnaround strategy, which was approved by Cabinet in December 2009. The department will focus on driving and coordinating the turnaround strategy.

#### *Coordinating disaster management*

Through the national disaster management centre, the department continues to support all three spheres of government in implementing the Disaster Management Act (2002). Provincial disaster management centres were established in 7 provinces in 2009, and municipal disaster management centres are being established in all 46 district municipalities and 6 metropolitan municipalities. Five of the 2010 FIFA World Cup host cities have been assisted with the development of disaster management plans and operational procedures.

## **Savings and cost effective service delivery**

The department has identified efficiency savings over the MTEF period of R58.1 million. Savings are driven by decreases in expenditure on travelling, venues and facilities, consultants and catering. A large proportion of the savings will be derived from low priority, once-off programmes to ensure that the savings exercise does not impact adversely on key outputs. Savings from once-off programmes are expected to reach R58.1 million between 2010/11 to 2012/13. Savings from reducing subsistence and travelling costs are driven by the department's review of standards for hotel accommodation and reducing car hire to a lower grade. Where possible, air travel will be reduced and staff will travel in economy class. Savings on consultants have also been identified, where the department has made permanent appointments, which also retains expertise.

## Selected performance indicators

**Table 3.1 Cooperative Governance and Traditional Affairs**

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Total number of district municipalities supported in implementing local economic development strategies (total 46 districts)	Governance and Intergovernmental Relations	–	–	–	14 (30%)	34 (74%)	46 (100%)	46 (100%)
Total number of provinces supported with the intergovernmental relations capacity building programme (total 9 provinces)	Governance and Intergovernmental Relations	–	–	–	6 (66%)	9 (100%)	9 (100%)	9 (100%)
Total number of districts supported with the intergovernmental relations capacity building programme (total 46 districts)	Governance and Intergovernmental Relations	–	–	–	23 (50%)	34 (74%)	46 (100%)	46 (100%)
Percentage of municipalities with integrated development plans drafted in accordance with development planning outcomes (total 283 municipalities)	Governance and Intergovernmental Relations	–	224 (79%)	240 (85%)	260 (92%)	277 (98%)	283 (100%)	283 (100%)
Total number of traditional leadership institutions supported through capacity building programmes (total 840)	Traditional Affairs	–	–	–	0 (0%)	200 (23%)	350 (41%)	600 (71%)
Amount spent by municipalities on municipal infrastructure grants by end of municipal financial year and as a percentage of total municipal infrastructure grant allocation for that financial year	Governance and Intergovernmental Relations	R5.6bn (96%)	R8.7bn (100%)	R9.4bn (100%)	R11.1bn (100%)	R12.5bn (100%)	R15.1bn (100%)	R18.2bn (100%)
Total number of households reached with basic services funded by the municipal infrastructure grant:	Governance and Intergovernmental Relations							
- water		610 293	815 293	1 million	1.2 million	1.4 million	1.6 million	1.8 million
- sanitation		343 942	445 070	566 070	687 070	808 070	929 070	1.05 million
- roads		521 636	669 636	817 636	965 636	1 113 636	1.3 million	1.5 million
- community lighting		236 183	312 183	388 183	464 183	540 186	616 186	692 168
Percentage of indigent households accessing free basic services:	Governance and Intergovernmental Relations							
- water		73%	77%	85 %	87%	90%	100%	– <sup>1</sup>
- electricity		60%	73%	85%	87%	89%	100%	–
Total number of municipalities receiving support on financial management	Governance and Intergovernmental Relations	75 27%	120 42%	160 57%	200 71%	234 83%	283 100%	283 100%
Total number of fully functional disaster management centres across the three spheres of government (total 62: 1 national, 9 in provinces, 46 in districts, 6 in metros)	National Disaster Management Centre	2 provinces	5 provinces	9 provinces	12 (19%)	30 (48%)	40 (64%)	53 (85%)
Total number of additional nodal municipalities with strategic local economic development projects reflected in the integrated development plan budgets for public sector investments	Governance and Intergovernmental Relations	–	6	2	4	6	6	6
Total number of work opportunities created through the community works programme	Governance and Intergovernmental Relations	–	–	–	–	57 368	77 635	101 916

1. Targets will have been achieved in 2011/12

## Expenditure estimates

**Table 3.2 Cooperative Governance and Traditional Affairs**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Administration	113.5	125.4	143.3	164.8	162.4	188.1	197.7	205.1
2. Policy, Research and Knowledge Management Support	35.6	39.3	40.9	40.6	38.8	50.1	51.4	53.1
3. Governance and Intergovernmental Relations	24 346.0	29 789.6	35 020.7	36 326.1	36 320.4	43 570.8	50 076.5	56 850.6
4. National Disaster Management Centre	37.6	26.1	82.1	98.7	58.7	41.6	42.8	44.2
5. Traditional Affairs	38.9	45.7	56.3	53.3	49.3	70.9	80.8	85.3
<b>Total</b>	<b>24 571.6</b>	<b>30 026.2</b>	<b>35 343.2</b>	<b>36 683.5</b>	<b>36 629.6</b>	<b>43 921.5</b>	<b>50 449.1</b>	<b>57 238.3</b>
<b>Change to 2009 Budget estimate</b>				<b>1 076.5</b>	<b>1 022.5</b>	<b>1 379.9</b>	<b>2 695.7</b>	<b>7 097.1</b>

Table 3.2 Cooperative Governance and Traditional Affairs (continued)

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Economic classification</b>								
<b>Current payments</b>	<b>301.6</b>	<b>325.0</b>	<b>358.1</b>	<b>499.0</b>	<b>445.1</b>	<b>619.7</b>	<b>713.4</b>	<b>815.2</b>
Compensation of employees	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
Goods and services	185.5	196.8	204.3	326.7	280.3	377.8	458.1	547.1
<i>of which:</i>								
<i>Consultants and professional services:</i>	<i>56.1</i>	<i>52.8</i>	<i>46.8</i>	<i>68.7</i>	<i>62.3</i>	<i>41.4</i>	<i>43.7</i>	<i>44.2</i>
<i>Business and advisory services</i>								
<i>Inventory: Materials and supplies</i>	–	–	0.0	58.5	58.5	151.3	209.0	274.4
<i>Lease payments</i>	38.1	37.1	34.1	35.6	35.6	37.9	39.6	40.8
<i>Travel and subsistence</i>	32.6	34.4	40.7	43.0	43.0	47.7	51.9	56.5
Interest and rent on land	–	–	0.1	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>24 256.7</b>	<b>29 691.8</b>	<b>34 975.5</b>	<b>36 171.2</b>	<b>36 171.2</b>	<b>43 288.5</b>	<b>49 720.7</b>	<b>56 406.2</b>
Provinces and municipalities	24 196.4	29 629.8	34 897.8	35 989.1	35 989.1	42 908.7	49 233.3	55 792.4
Departmental agencies and accounts	49.7	56.6	67.5	78.1	78.1	83.2	88.2	92.6
Foreign governments and international organisations	3.0	0.1	0.1	0.1	0.1	0.5	0.5	0.5
Non-profit institutions	6.8	4.5	8.3	8.3	8.3	9.1	10.4	10.9
Households	0.7	0.8	1.8	95.5	95.5	287.0	388.3	509.7
<b>Payments for capital assets</b>	<b>13.0</b>	<b>7.8</b>	<b>9.2</b>	<b>13.3</b>	<b>13.3</b>	<b>13.3</b>	<b>15.0</b>	<b>16.9</b>
Machinery and equipment	4.8	6.8	9.2	13.3	13.3	10.6	12.3	14.1
Software and other intangible assets	8.1	1.1	–	–	–	2.7	2.7	2.8
<b>Payments for financial assets</b>	<b>0.3</b>	<b>1.6</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>24 571.6</b>	<b>30 026.2</b>	<b>35 343.2</b>	<b>36 683.5</b>	<b>36 629.6</b>	<b>43 921.5</b>	<b>50 449.1</b>	<b>57 238.3</b>

## Expenditure trends

Expenditure increased substantially from R24.6 billion in 2006/07 to R36.7 billion in 2009/10, at an average annual rate of 14.3 per cent. This growth is mainly due to increases in the equitable share and the municipal infrastructure grant, which collectively accounted for the largest portion of departmental expenditure. Over the MTEF period, expenditure is expected to grow at an average annual rate of 16 per cent to reach R57.2 billion in 2012/13.

In 2009/10, the department's programme structure was changed to align its budget with its new mandate. The *Intergovernmental Relations* and *Traditional Leadership and Institutions* subprogrammes shifted out of the *Policy, Research and Knowledge Management Support* programme, which reduces expenditure in that programme by R30.4 million in 2009/10.

The *Governance and Intergovernmental Relations* programme consolidates all expenditure related to the operation of the intergovernmental system, and now includes expenditure on transfers to provincial and national departments, and the coordination of and transfers to public entities. Over the 2010 MTEF period, expenditure in this programme is expected to increase from R36.3 billion in 2009/10 to R56.9 billion in 2012/13, growing at an average annual rate of 16.1 per cent.

Expenditure in the *National Disaster Management Centre* programme increased from R37.6 million in 2006/07 to R98.7 million in 2009/10 at an average annual rate of 38 per cent, and is expected to decrease to R44.2 million in 2012/13 at an average annual rate of 23.5 per cent. The higher expenditure in 2009/10 is due to an allocation in the adjustments budget of R60 million for disaster management national readiness for the 2010 FIFA World Cup.

In 2010/11, expenditure on traditional affairs will remain in the department's budget. However, provision is made for establishing the new Department of Traditional Affairs in 2010/11. Expenditure by the new Department of Traditional Affairs is expected to grow from R70.9 million in 2010/11 to R85.3 million in 2012/13 at an average annual rate of 9.7 per cent. The significant increase between 2010/11 and 2011/12 is for setting up the new department and its support services.

Over the medium term, the department will focus on increasing access to basic services through infrastructure development. To achieve this, the department receives additional allocations of: R2.5 billion for the municipal infrastructure grant, R6.7 billion for the local government equitable share and R1.5 billion for the community work programme.

Expenditure in compensation of employees increased from R116.2 million in 2006/07 to R164.8 million in 2009/10, at an average annual rate of 12.4 per cent. This strong growth is the result of the increase in staff, from 568 in 2006/07 to 582 in 2009/10, due to the department's drive to fill vacant positions and reduce its reliance on consultants. As at September 2009, the vacancy rate for the department was 26.5 per cent, which equated to 154 vacant funded positions. These vacancies will be addressed in the new structure and new positions will be advertised in the 2010/11 financial year. 26.3 per cent of the total staff complement is in the *Governance and Intergovernmental Relations* programme, 49.3 per cent in *Administration* and 8.3 per cent in *Policy, Research and Knowledge Management*. As a result of the consolidation of all intergovernmental activities into the *Governance and Intergovernmental* programme, staff numbers increase strongly, from 130 in 2006/07 to 153 in 2009/10, at an average annual rate of 5.6 per cent. Over the MTEF period, positions filled on the funded establishment are projected to increase from 657 posts in 2010/11 to 825 posts in 2012/13, as the department develops internal capacity to support provincial and local government.

### Infrastructure spending

The department does not incur any direct infrastructure development expenditure. It makes transfers through the municipal infrastructure grant to finance expenditure on basic infrastructure by municipalities. The transfers are used by municipalities for infrastructure projects in the areas of water, sanitation, electricity and roads. Allocations for the grant increased from R5.9 billion in 2006/07 to R11.4 billion in 2009/10 at an average annual rate of 24.4 per cent in the *Governance and Intergovernmental Relations* programme. This growth in funding reflects government's policy decision to eradicate the backlogs in the delivery of basic services and meet its millennium development goal commitments. Over the MTEF period, allocations for the municipal infrastructure grant are expected to increase to R18.3 billion, at average annual rate of 17 per cent.

## Departmental receipts

Departmental receipts accrue from the collection of parking fees, commission on insurance policy premiums, and subsidies vehicle and bursary repayments. The increase of 12.2 per cent in revenue collection in 2008/09, from financial transactions in assets and liabilities, was due to receivable losses recovered from accidents or lost assets paid for by officials. Over the MTEF period, revenue is expected to increase marginally from R602 000 to R649 000, at an average annual rate of 2.5 per cent.

**Table 3.3 Departmental receipts**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Departmental receipts</b>	<b>6 830</b>	<b>731</b>	<b>820</b>	<b>602</b>	<b>602</b>	<b>627</b>	<b>633</b>	<b>649</b>
Sales of goods and services produced by department	109	125	150	144	144	148	150	155
Sales of scrap, waste, arms and other used current goods	1	–	–	–	–	16	18	22
Interest, dividends and rent on land	6	3	2	3	3	3	3	4
Sales of capital assets	–	337	–	–	–	–	–	–
Transactions in financial assets and liabilities	6 714	266	668	455	455	460	462	468
<b>Total</b>	<b>6 830</b>	<b>731</b>	<b>820</b>	<b>602</b>	<b>602</b>	<b>627</b>	<b>633</b>	<b>649</b>

## Programme 1: Administration

### Expenditure estimates

**Table 3.4 Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Minister <sup>1</sup>	0.8	1.0	1.4	1.7	1.8	1.9	2.0
Deputy Minister <sup>1</sup>	0.7	0.9	1.1	1.4	1.5	1.6	1.7
Management	25.5	30.4	35.0	51.3	49.5	50.9	52.7
Corporate Services	55.0	56.9	67.9	71.9	80.9	86.5	89.5
Communication and Liaison	10.6	9.3	11.2	12.1	26.3	27.1	28.0
Office Accommodation	20.6	25.3	26.2	26.5	28.0	29.7	31.2
Special Functions: Authorised Losses	0.3	1.6	0.4	0.0	–	–	–
<b>Total</b>	<b>113.5</b>	<b>125.4</b>	<b>143.3</b>	<b>164.8</b>	<b>188.1</b>	<b>197.7</b>	<b>205.1</b>
Change to 2009 Budget estimate				21.5	36.8	38.7	38.2

<sup>1</sup>. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

#### Economic classification

<b>Current payments</b>	<b>111.2</b>	<b>121.4</b>	<b>139.9</b>	<b>160.0</b>	<b>184.8</b>	<b>194.2</b>	<b>201.5</b>
Compensation of employees	43.3	47.2	57.8	74.1	104.6	110.4	116.0
Goods and services	67.9	74.3	82.1	85.9	80.2	83.8	85.6
of which:							
Consultants and professional services:	6.5	4.3	5.8	5.1	4.3	4.2	3.7
Business and advisory services							
Lease payments	24.0	29.3	29.3	27.1	29.1	30.5	31.4
Travel and subsistence	9.2	7.5	10.5	15.9	12.2	12.8	13.3
Interest and rent on land	–	–	0.1	–	–	–	–
<b>Transfers and subsidies</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>2.7</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
Provinces and municipalities	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Non-profit institutions	0.1	–	–	–	–	–	–
Households	0.7	0.8	0.9	2.6	0.1	0.1	0.1
<b>Payments for capital assets</b>	<b>1.2</b>	<b>1.5</b>	<b>2.1</b>	<b>2.1</b>	<b>3.1</b>	<b>3.2</b>	<b>3.3</b>
Machinery and equipment	1.0	1.3	2.1	2.1	3.1	3.2	3.3
Software and other intangible assets	0.2	0.3	–	–	–	–	–
<b>Payments for financial assets</b>	<b>0.3</b>	<b>1.6</b>	<b>0.4</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>113.5</b>	<b>125.4</b>	<b>143.3</b>	<b>164.8</b>	<b>188.1</b>	<b>197.7</b>	<b>205.1</b>

### Expenditure trends

Between 2006/07 and 2009/10, expenditure grew from R113.5 million to R164.8 million at an average annual rate of 13.3 per cent. The substantial growth is due to increases in the minister's and the deputy minister's salaries, and inflation related salary adjustments. Additional expenditure was incurred in procuring office accommodation due to an increase in staff numbers.

Worth noting is the centralisation of the new *Communication and Liaison* subprogramme in the *Administration* programme, and the shift of the monitoring and evaluation function to the *Policy, Research and Knowledge Management* programme. Expenditure in the *Communication and Liaison* subprogramme is expected to increase from R12.1 million to R28.2 million over the MTEF period at an average annual rate of 32.5 per cent, as a result of the consolidation of the communication function into the *Administration* programme.

Over the MTEF period, the budget is expected to increase from R164.8 million in 2009/10 to R205.1 million in 2012/13 at an average annual rate of 7.6 per cent, as a result of the combined effect of the expansion in personnel and inflation related adjustments. The spending focus over the MTEF period will be on strengthening the department's capacity and capability.

## Programme 2: Policy, Research and Knowledge Management Support

- *Management: Research and Policy*.
- *Policy, Methods and Research* undertakes applied research and supports policy making in the department.
- *Knowledge and Information Management* manages knowledge and disseminates information throughout the department.
- *Information and Business Technologies* provides the department with project and programme management methodologies and tools.

Funding in these subprogrammes is mainly used for compensation of employees and goods and services.

### Objectives and measures

- Strengthen, mainstream and rationalise monitoring and evaluation for provincial and local government by providing guidelines for monitoring and evaluation and reporting by March 2011.
- Improve the department's implementation capability and information management system by introducing information and business technologies by March 2011.

### Service delivery focus

In 2009, the department focused on promulgating regulations and finalising various policy frameworks, such as: the national funding framework for ward councillors, which was gazetted in April 2009 and aims to deepen democracy by setting out the norms and standards for ward committee funding, and a framework, published in August 2009, for out-of-pocket expenses for ward councillors. Regulations on the disciplinary code and procedures for senior managers were published for public comment in November 2009. The Municipal Property Rates Amendment Act (2009) was introduced in Parliament in September 2009 and aims to extend the validity of a valuation roll and supplementary valuation rolls from 4 years to 6 years.

Throughout 2009, assessments of municipalities were conducted. These assessments informed the local government turnaround strategy, which was approved by Cabinet in December 2009.

Establishing a functional computerised monitoring, reporting and evaluation system with a data repository and early warning mechanisms will be critical for enhancing oversight in provincial and local government and supporting national monitoring and evaluation. The system will be established by March 2011.

### Expenditure estimates

**Table 3.5 Policy, Research and Knowledge Management Support**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management Research and Policy	1.3	1.1	2.3	2.9	2.9	2.9	3.0
Policy, Methods and Research	6.3	9.0	13.7	13.8	17.0	17.5	18.1
Knowledge and Information Management	16.2	15.9	11.9	11.4	14.8	15.2	15.7
Information and Business Technologies	11.8	13.3	13.0	12.4	15.5	15.8	16.2
<b>Total</b>	<b>35.6</b>	<b>39.3</b>	<b>40.9</b>	<b>40.6</b>	<b>50.1</b>	<b>51.4</b>	<b>53.1</b>
Change to 2009 Budget estimate				(1.9)	4.8	3.6	2.9
<b>Economic classification</b>							
<b>Current payments</b>	<b>33.1</b>	<b>35.6</b>	<b>36.9</b>	<b>37.8</b>	<b>47.4</b>	<b>48.7</b>	<b>50.3</b>
Compensation of employees	17.4	14.6	18.4	20.1	18.5	19.5	20.4
Goods and services	15.6	21.0	18.4	17.6	28.9	29.2	29.9
<i>of which:</i>							
<i>Consultants and professional services:</i>	7.8	5.5	4.5	4.0	11.5	11.6	11.9
<i>Business and advisory services</i>							
<i>Lease payments</i>	0.2	1.1	0.1	0.2	0.1	0.1	0.1
<i>Travel and subsistence</i>	2.2	2.9	4.3	2.9	6.1	6.1	6.3



Table 3.5 Policy, Research and Knowledge Management Support (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Payments for capital assets</b>	<b>2.6</b>	<b>3.7</b>	<b>4.0</b>	<b>2.8</b>	<b>2.7</b>	<b>2.7</b>	<b>2.8</b>
Machinery and equipment	2.4	3.7	4.0	2.8	1.0	1.0	1.0
Software and other intangible assets	0.1	0.0	–	–	1.7	1.7	1.8
<b>Total</b>	<b>35.6</b>	<b>39.3</b>	<b>40.9</b>	<b>40.6</b>	<b>50.1</b>	<b>51.4</b>	<b>53.1</b>

## Expenditure trends

Expenditure increased from R35.6 million in 2006/07 to R40.6 million in 2009/10, at an average annual rate of 4.4 per cent. This is mainly due to the changes in the budget structure related to the restructuring of the former Department of Provincial and Local Government into the new Department of Cooperative Governance and Traditional Affairs. The monitoring and evaluation and ICT functions, which were previously housed in the *Administration* programme, were shifted to the *Policy, Research and Knowledge Management* programme, resulting in a small increase in this programme's budget.

Over the MTEF period, expenditure is expected to increase to R53.1 million, at an average annual rate of 9.4 per cent in 2012/13. The growth can be explained by the expansion of the department to strengthen its policy, research and monitoring and evaluation functions. Efforts will be directed at developing the monitoring and evaluations systems and acquiring the appropriate technology in 2010/11, which will result in a 23.5 per cent increase in the programme's expenditure in that year. The spending focus over the MTEF period will be on strengthening output, developing the knowledge base for policy making and on establishing information management systems.

## Programme 3: Governance and Intergovernmental Relations

- *Management: Municipal and Provincial Government.*
- *Provincial and Local Government Support* establishes evidence based regulatory mechanisms and oversight and support programmes for provincial and municipal government to facilitate effective development planning and service delivery.
- *Infrastructure and Economic Development* provides strategic leadership in national development planning, land planning and spatial information for provincial and local government.
- *Intergovernmental Relations Coordination and Fiscal Relations* improves intergovernmental coordination, ensures oversight, and provides intervention and support programmes.
- *Governance and Public Participation* creates an enabling environment for good governance and public participation by supporting provinces and municipalities in strengthening their governance and coordinating capability.
- *Community Work Programme* contributes to developing public assets in poor communities and provides income security for participants, provides work experience, enhances dignity, and promotes social and economic inclusion.
- *Equitable Share Transfer* refers to the share of nationally raised revenue payable to the local government sphere in terms of section 214 of the Constitution.
- *Municipal Systems Improvement Grant* assists municipalities with building in-house capacity to perform their functions and stabilise institutional and governmental systems.
- *Municipal Infrastructure Grant Transfer* supplements municipal capital budgets to eradicate the backlog in municipal infrastructure for providing services to poor households. Funds are largely used to build, repair and rehabilitate basic services infrastructure.
- *South African Local Government Association Transfer*, transfers funds to the South African Local Government Association, the recognised local government body in terms of the Organised Local Government Act (1997).

- *Municipal Demarcation Board Fiscal Transfer* provides funding to the Municipal Demarcation Board, which is a constitutional body established in terms of the Municipal Demarcation Board Act (1998).
- *South African Cities Network Fiscal Transfer* enables further cooperation between South African cities and maximises benefits through the exchange of information.
- *United Cities and Local Government of Africa and peer learning* is an association of municipalities and national and regional local government associations in Africa.

Funding in these subprogrammes is mainly used to accelerate service delivery by augmenting the capital budget of municipalities, for transfer payments to public entities, and for the payment of wages through the community work programme.

### **Objectives and measures**

- Improve vertical and horizontal coordination and alignment by reviewing the Intergovernmental Relations Framework Act (2005) and other related legislation, interventions, and oversight support programmes by March 2011.
- Strengthen the capacity of municipalities by supporting them in the development and implementation of municipal specific turnaround strategies by March 2011.
- Reform the regulatory and support mechanisms for municipal councils and ward committees by developing funding mechanisms for municipal councils and ward committees by March 2011.
- Improve governance by supporting all provincial government departments and municipalities through the development and implementation of anti-corruption policies and programmes by March 2011.
- Strengthen provinces' capacity to oversee the financial performance of municipalities by developing province specific audit remedial plans by March 2011.
- Improve intergovernmental relations by developing a draft coordination model and communicating the model to key stakeholders by March 2011.
- Improve infrastructure development by supporting local government to develop comprehensive infrastructure plans in 26 district areas by March 2011.
- Facilitate the alignment of provincial growth and development strategies and integrated development plans with the medium term strategic framework and the national plan by reviewing and implementing the framework for integrated development planning before March 2011.
- Support government's international relations and cooperation policy obligations in relation to cooperative governance by implementing bilateral agreements and programmes by March 2011.
- Promote community development in the most marginalised communities by creating and maintaining public infrastructure through the community work programme in order to provide 57 368 work opportunities by 2011.

### **Service delivery focus**

A review of the White Paper on Local Government was mandated by Cabinet in 2007 and the final report was presented to Cabinet in July 2008. Operation clean audit 2014 was launched in July 2009 to complement a campaign to manage municipal debt, and improve the quality of financial statements. Targeted support by the department and implementing audit remedial plans will be instrumental to ensure that all provinces and municipalities achieve a clean audit by 2014.

Between March and September 2009, capacity building workshops aimed at improving understanding of the intergovernmental relations framework were held in 4 provinces and 23 districts. In 2009, 202 functionaries from 67 municipalities were trained to use Gapskill, a web based tool aimed at improving human resource planning in local government. A summit on women in provincial and local government was held in August 2009 to highlight the contribution of women in the sector.

Over the medium term, the department will work closely with the National Planning Commission to improve planning alignment across the three spheres of government. Municipalities in all provinces will be supported to develop and implement comprehensive infrastructure plans to improve infrastructure provision. In

implementing the local economic development strategy over the MTEF period, the focus will be on improving governance and reducing red tape in district municipalities, and on increasing the number of local economic development projects. The focus will also be on the implementation of Community Work Programme aimed at creating work opportunities for local people.

## Expenditure estimates

**Table 3.6 Governance and Intergovernmental Relations**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management: Municipal and Provincial Government	1.4	2.6	7.1	6.7	9.5	9.8	10.1
Provincial and Local Government Support and Intervention	71.1	61.1	56.6	59.2	16.0	16.4	17.0
Infrastructure and Economic Development	7.5	5.8	4.5	4.4	38.2	31.1	32.2
Intergovernmental Relations coordination and Fiscal relation	20.5	23.6	24.7	24.8	30.3	39.2	40.6
Governance and Public Participation	11.2	21.2	21.3	16.8	7.1	7.3	7.5
Community Work Programme	–	–	–	159.0	490.3	663.6	871.1
Equitable share transfers	18 057.9	20 675.6	25 559.7	24 355.5	30 167.7	33 939.9	37 234.4
Municipal Systems Improvement Grant	200.0	200.0	200.0	200.0	212.0	224.7	236.0
Municipal infrastructure grant transfer	5 938.4	8 754.1	9 091.1	11 433.5	12 528.9	15 068.6	18 322.0
South African Local Government Association fiscal transfer	19.5	20.5	22.1	23.3	24.6	26.1	27.4
Municipal Demarcation Board fiscal transfers	16.8	20.7	25.4	34.6	37.2	39.4	41.4
South African Cities Network fiscal transfers	1.6	4.4	4.7	4.8	5.1	5.4	5.7
United Cities and Local Government of Africa transfers	–	–	3.6	3.5	4.0	5.0	5.2
<b>Total</b>	<b>24 346.0</b>	<b>29 789.6</b>	<b>35 020.7</b>	<b>36 326.1</b>	<b>43 570.8</b>	<b>50 076.5</b>	<b>56 850.6</b>
Change to 2009 Budget estimate				999.2	1 338.1	2 654.3	7 057.3
<b>Economic classification</b>							
<b>Current payments</b>	<b>101.9</b>	<b>113.2</b>	<b>112.6</b>	<b>179.4</b>	<b>299.7</b>	<b>373.1</b>	<b>461.2</b>
Compensation of employees	44.2	51.8	61.1	60.3	69.5	73.4	77.2
Goods and services	57.6	61.4	51.6	119.1	230.2	299.7	384.0
<i>of which:</i>							
<i>Consultants and professional services:</i>	26.9	25.3	20.5	29.2	15.1	14.9	15.0
<i>Business and advisory services</i>	–	–	0.0	58.5	151.2	209.0	274.4
<i>Inventory: Materials and supplies</i>	–	–	0.0	58.5	151.2	209.0	274.4
<i>Lease payments</i>	0.5	0.4	0.7	0.4	1.7	1.8	2.0
<i>Travel and subsistence</i>	12.4	12.4	10.9	11.3	20.3	22.0	25.3
<b>Transfers and subsidies</b>	<b>24 242.5</b>	<b>29 675.5</b>	<b>34 907.3</b>	<b>36 146.3</b>	<b>43 266.8</b>	<b>49 697.8</b>	<b>56 382.1</b>
Provinces and municipalities	24 196.4	29 629.8	34 850.7	35 989.0	42 908.6	49 233.2	55 792.3
Departmental agencies and accounts	36.3	41.1	47.5	57.9	61.8	65.5	68.8
Foreign governments and international organisations	3.0	0.1	0.1	0.1	0.5	0.5	0.5
Non-profit institutions	6.7	4.5	8.3	8.3	9.1	10.4	10.9
Households	0.0	–	0.6	91.0	286.8	388.2	509.6
<b>Payments for capital assets</b>	<b>1.7</b>	<b>0.9</b>	<b>0.7</b>	<b>0.3</b>	<b>4.3</b>	<b>5.7</b>	<b>7.3</b>
Machinery and equipment	1.0	0.8	0.7	0.3	4.3	5.7	7.3
Software and other intangible assets	0.6	0.1	–	–	–	–	–
<b>Total</b>	<b>24 346.0</b>	<b>29 789.6</b>	<b>35 020.7</b>	<b>36 326.1</b>	<b>43 570.8</b>	<b>50 076.5</b>	<b>56 850.6</b>

**Table 3.6 Governance and Intergovernmental Relations (continued)**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Details of selected transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>18 257.9</b>	<b>20 875.6</b>	<b>25 759.7</b>	<b>24 555.5</b>	<b>30 379.7</b>	<b>34 164.6</b>	<b>37 470.4</b>
Local Government Equitable Share	18 057.9	20 675.6	25 559.7	24 355.5	30 167.7	33 939.9	37 234.4
Municipal Systems Improvement Grant	200.0	200.0	200.0	200.0	212.0	224.7	236.0
<b>Capital</b>	<b>5 938.4</b>	<b>8 754.1</b>	<b>9 091.1</b>	<b>11 433.5</b>	<b>12 528.9</b>	<b>15 068.6</b>	<b>18 322.0</b>
Municipal Infrastructure Grant	5 938.4	8 754.1	9 091.1	11 433.5	12 528.9	15 068.6	18 322.0
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>36.3</b>	<b>41.1</b>	<b>47.5</b>	<b>57.9</b>	<b>61.8</b>	<b>65.5</b>	<b>68.8</b>
South African Local Government Association	19.5	20.5	22.1	23.3	24.6	26.1	27.4
Municipal Demarcation Board	16.8	20.7	25.4	34.6	37.2	39.4	41.4
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>3.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
Commonwealth Local Government Forum	3.0	0.1	0.1	0.1	0.5	0.5	0.5
<b>Non-profit institutions</b>							
<b>Current</b>	<b>6.7</b>	<b>4.4</b>	<b>8.3</b>	<b>8.3</b>	<b>9.1</b>	<b>10.4</b>	<b>10.9</b>
South African Cities Network	1.6	4.4	4.7	4.8	5.1	5.4	5.7
United Cities and Local Government of Africa	5.1	–	3.6	3.5	4.0	5.0	5.2
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>–</b>	<b>–</b>	<b>0.6</b>	<b>91.0</b>	<b>286.8</b>	<b>388.2</b>	<b>509.6</b>
Community Work Programme	–	–	0.6	91.0	286.8	388.2	509.6

## Expenditure trends

Expenditure in this programme is dominated by transfers to local government, public entities and other agencies, which comprise 99.5 per cent of the department's budget in 2009/10. Spending on transfers and subsidies increased at an average annual rate of 14.2 per cent from R24.2 billion 2006/07 to R36.1 billion in 2009/10, and is expected to increase further over the MTEF period at an average annual rate of 16.1 per cent to reach R56.4 billion. The growth is attributable to the shift of local government transfers and entities into this programme from other programmes.

The biggest proportion of expenditure is for the local government equitable share which represents 67.3 per cent of total transfers over the MTEF period, or R125.7 billion. The local government equitable share is an integral funding instrument. It supplements municipal revenue to allow municipalities to provide free basic services to poor households, and funds institutional capacity and support for weaker municipalities in remote rural areas.

Expenditure relating to the Southern African Development Community (SADC) local government desk and the consolidation of the SADC local government agenda resulted in additional funding of R9 million between 2010/11 and 2011/12.

## Programme 4: National Disaster Management Centre

- *Management: Head of Disaster.*
- *Legislation, Policy and Compliance Management* develops and provides implementation support for disaster management policies and legislative frameworks across all spheres of government.

- *Implementation Coordination and Support* develops and implements disaster management operational systems and coordinates disaster management capacity building and strategic research.
- *Intelligence Systems and Support* creates and manages the implementation of disaster management intelligence and capability systems.
- *Disaster Relief Transfer* allocates and coordinates relief funding when a disaster has occurred.

Funding in these subprogrammes is mainly used for recruiting disaster management volunteers in municipalities to increase disaster management capacity in the local sphere of government.

## Objectives and measures

- Improve the proactive and responsive capability of the national disaster management centre by establishing the 2 remaining provincial disaster management centres by March 2011.
- Strengthen and update the legislative framework for fire services by submitting amended legislation to Cabinet for approval by March 2011, in order to address new policy issues which are not addressed in the existing legislation.
- Ensure that a coordinated and effective disaster risk management system for the 2010 FIFA World Cup is in place by developing provincial and municipal operational plans, establishing provincial coordinating teams, conducting training and simulation exercises, and reviewing priority areas and contingency plans by March 2010.

## Service delivery focus

Preparations for the 2010 FIFA World Cup will be supported by assisting national and provincial government departments, host cities and other stakeholders with disaster management operational and contingency plans for the 2010 FIFA World Cup. Forums such as the interministerial committee, the technical coordination committee and the host cities forum will be targeted during their scheduled sittings.

To date, the national disaster management centre has been established and 7 provincial centres. Centres have been established in 5 out of 9 host cities and host city disaster management contingency plans for natural and technological disasters are in place. The department will support the remaining host cities to establish these centres in 2010/11.

The department is conducting a national education, training and research needs and resources analysis through the national disaster management centre. The analysis will inform the development and implementation of a national education and training framework for disaster risk management in South Africa by 2011/12. All disaster management stakeholders will be targeted. In 2009, the department developed regulations for recruiting disaster management volunteers in municipalities for increasing disaster management capacity.

## Expenditure estimates

**Table 3.7 National Disaster Management Centre**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management: Head of Disaster	–	–	–	–	3.3	3.4	3.5
Legislation, Policy and Compliance	14.4	7.2	16.4	16.0	5.9	6.0	6.2
Management							
Implementation Coordination and Support	23.2	17.8	9.6	71.0	13.5	13.9	14.4
Intelligence Systems and Support	–	1.2	9.1	11.7	18.8	19.4	20.0
Disaster Relief Transfers	–	–	47.0	–	–	–	–
<b>Total</b>	<b>37.6</b>	<b>26.1</b>	<b>82.1</b>	<b>98.7</b>	<b>41.6</b>	<b>42.8</b>	<b>44.2</b>
Change to 2009 Budget estimate				60.9	–	(1.1)	(1.8)

Table 3.7 National Disaster Management Centre (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>30.1</b>	<b>24.9</b>	<b>33.2</b>	<b>92.4</b>	<b>38.7</b>	<b>39.8</b>	<b>41.2</b>
Compensation of employees	3.2	4.4	5.6	4.9	18.1	19.1	20.0
Goods and services	26.9	20.4	27.5	87.5	20.6	20.8	21.2
<i>of which:</i>							
<i>Consultants and professional services:</i>	9.5	11.3	9.2	25.9	7.4	7.3	7.4
<i>Business and advisory services</i>							
<i>Lease payments</i>	13.2	6.0	3.9	7.5	6.8	6.9	7.1
<i>Travel and subsistence</i>	0.6	1.3	1.1	6.2	2.9	3.0	3.1
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.0</b>	<b>47.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	0.0	-	47.0	-	-	-	-
<b>Payments for capital assets</b>	<b>7.5</b>	<b>1.2</b>	<b>1.9</b>	<b>6.3</b>	<b>2.9</b>	<b>2.9</b>	<b>3.0</b>
Machinery and equipment	0.3	0.5	1.9	6.3	1.9	1.9	1.9
Software and other intangible assets	7.2	0.7	-	-	1.0	1.0	1.0
<b>Total</b>	<b>37.6</b>	<b>26.1</b>	<b>82.1</b>	<b>98.7</b>	<b>41.6</b>	<b>42.8</b>	<b>44.2</b>
<b>Details of selected transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
<b>Current</b>	-	-	<b>29.7</b>	-	-	-	-
Internally Displaced People Management grant	-	-	29.7	-	-	-	-
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	-	-	<b>17.3</b>	-	-	-	-
Internally Displaced People Management grant	-	-	17.3	-	-	-	-

## Expenditure trends

The disaster management function was previously performed as a subprogramme *Disaster Management* in the *Systems and Capacity Building* programme. It has been elevated to programme status.

Expenditure increased from R37.6 million in the 2006/07 to R98.7 million in 2009/10 at an average annual rate of 38 per cent. The growth was mostly due to an additional R60 million to implement disaster management contingency plans for the 2010 FIFA World Cup. Funding to the *Intelligence Systems and Support* subprogramme increased to support the establishment of 13 fully functional centres (1 national, 7 in provinces, in 5 of the host cities).

Over the MTEF period, expenditure is expected to decrease at an average annual rate of 23.5 per cent to reach R44.2 million in 2012/13. The decrease is as a result of the once-off allocation of R60 million.

## Programme 5: Traditional Affairs

- *Management: Head of Traditional Affairs.*
- *Policy and Legislation for Traditional Affairs* focuses on research and policy making related to traditional affairs, including the institution of traditional leadership.
- *Institutional Support and Coordination* focuses on providing comprehensive support for and coordinating all activities related to traditional affairs, and promoting the role and place of the institution of traditional leadership, including Khoi-San leadership, in the South African governance system.
- *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities* is a constitutional body established in terms of the Cultural, Religious and Linguistic Communities Act (2002).

- *Commission on Traditional Leadership Disputes and Claims* was established in terms of the Traditional Leadership Framework Governance Act (2003).
- *National House of Traditional Leaders Fiscal Transfers* was established in terms of the Constitution to represent the interests of traditional communities and advise government on policies and programmes impacting them.

## Objectives and measures

- Ensure the functionality of the Department of Traditional Affairs by establishing its corporate capacity and capability by recruiting suitable trained and skilled staff and training them by December 2010.
- Ensure better alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across provinces and municipalities by March 2011.
- Ensure that that traditional communities and Khoi-San communities are empowered by reviewing and developing the national support programme for traditional communities and Khoi-San communities and their governance structures by March 2011 in order to align the programme to the needs identified.
- Promote and integrate the role and place of traditional affairs, the institution of traditional leadership, including Khoi-San leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government by March 2011.
- To support well functioning traditional leadership institutions across the continent by ensuring that the institution of traditional leadership, including the Khoi-San leadership, plays a central role where relevant in the SADC region and continental forums by March 2011.
- Promote traditional knowledge by establishing a comprehensive, user friendly database by March 2011.

## Service delivery focus

Progress has been made in positioning the institution of traditional leadership to partner with government in accelerating development and promoting service delivery. The Department of Traditional Affairs was proclaimed in December 2009 to play a strategic role in assisting the institution of traditional leadership and the Khoi-San leadership to transform themselves into central government partners in developing their communities. The department is also expected to coordinate the activities of the Department of Traditional Affairs with those of government to that ensure the needs of traditional and Khoi-San communities are met. These needs include governance, access to indigenous knowledge systems, traditional courts and indigenous law, traditional healers and medicine, African traditional communities protocols, indigenous languages, and other valued cultural practices.

The Traditional Leadership Governance and Framework Amendment Bill and the National House of Traditional Leaders Bill were passed by Parliament in November 2009. The Khoi-San policy was approved in 2009 and drafting legislation on the recognition of Khoi-San communities and leadership will start before March 2010.

## Expenditure estimates

**Table 3.8 Traditional Affairs**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management: Head of Traditional Affairs	–	–	–	–	4.6	5.8	6.1
Policy and Legislation for Traditional Affairs	6.0	6.6	9.9	14.0	7.9	10.1	10.6
Institutional, Support and Coordination	–	–	–	–	7.7	9.9	10.4
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	13.4	15.4	20.0	20.3	21.4	22.7	23.8
Commission on Traditional Leadership Disputes and Claims	10.0	10.6	11.5	9.9	10.5	11.1	11.7
National House of Traditional Leaders Fiscal Transfers	9.5	13.2	14.9	9.2	18.9	21.2	22.7
<b>Total</b>	<b>38.9</b>	<b>45.7</b>	<b>56.3</b>	<b>53.3</b>	<b>70.9</b>	<b>80.8</b>	<b>85.3</b>
Change to 2009 Budget estimate				(3.2)	0.2	0.1	0.5

Table 3.8 Traditional Affairs (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>25.4</b>	<b>29.8</b>	<b>35.6</b>	<b>29.4</b>	<b>49.1</b>	<b>57.6</b>	<b>60.9</b>
Compensation of employees	8.0	10.1	10.9	12.9	31.2	32.9	34.4
Goods and services	17.4	19.7	24.7	16.6	17.8	24.7	26.5
<i>of which:</i>							
<i>Consultants and professional services:</i>	5.4	6.4	6.8	4.4	3.2	5.6	6.1
<i>Business and advisory services</i>							
<i>Lease payments</i>	0.1	0.3	0.1	0.3	0.2	0.2	0.3
<i>Travel and subsistence</i>	8.1	10.4	13.8	6.7	6.1	7.9	8.5
<b>Transfers and subsidies</b>	<b>13.4</b>	<b>15.4</b>	<b>20.2</b>	<b>22.1</b>	<b>21.4</b>	<b>22.7</b>	<b>23.8</b>
Provinces and municipalities	0.0	–	–	–	–	–	–
Departmental agencies and accounts	13.4	15.4	20.0	20.3	21.4	22.7	23.8
Households	0.0	–	0.2	1.8	–	–	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.4</b>	<b>0.5</b>	<b>1.8</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>
Machinery and equipment	0.1	0.4	0.5	1.8	0.4	0.5	0.5
<b>Total</b>	<b>38.9</b>	<b>45.7</b>	<b>56.3</b>	<b>53.3</b>	<b>70.9</b>	<b>80.8</b>	<b>85.3</b>
<b>Details of selected transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>13.4</b>	<b>15.4</b>	<b>20.0</b>	<b>20.3</b>	<b>21.4</b>	<b>22.7</b>	<b>23.8</b>
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	13.4	15.4	20.0	20.3	21.4	22.7	23.8

## Expenditure trends

Expenditure in this programme has increased from R38.9 million in 2006/07 to R53.3 million in 2009/10, at an average annual rate of 11.1 per cent. Expenditure is expected to increase at an average annual rate of 17 per cent over the MTEF period, due to additional funds received for the establishment of the Department of Traditional Affairs. The increase in the *National House of Traditional Leaders* subprogramme was mainly due to additional funding for travel and accommodation after the chamber was moved from Pretoria to Cape Town.

Over the MTEF period, spending will focus on establishing the Department of Traditional Affairs.



## Additional tables

**Table 3.A Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R million	2008/09		2008/09	2009/10			2009/10
1. Administration	150.2	150.7	143.3	143.4	21.5	164.8	162.4
2. Policy, Research and Knowledge Management Support	44.4	43.7	40.9	42.5	(1.9)	40.6	38.8
3. Governance and Intergovernmental Relations	33 828.0	35 223.6	35 020.7	35 324.3	1 001.8	36 326.1	36 320.4
4. National Disaster Management Centre	108.4	153.4	82.1	37.8	60.9	98.7	58.7
5. Traditional Affairs	62.8	67.7	56.3	56.5	(3.2)	53.3	49.3
<b>Total</b>	<b>34 193.9</b>	<b>35 639.0</b>	<b>35 343.2</b>	<b>35 604.4</b>	<b>1 079.1</b>	<b>36 683.5</b>	<b>36 629.6</b>

### Economic classification

<b>Current payments</b>	<b>370.3</b>	<b>371.5</b>	<b>358.1</b>	<b>379.9</b>	<b>119.2</b>	<b>499.0</b>	<b>445.1</b>
Compensation of employees	166.4	154.3	153.8	194.1	(21.8)	172.3	164.8
Goods and services	204.0	217.2	204.3	185.7	141.0	326.7	280.3
Interest and rent on land	–	–	0.1	–	–	–	–
<b>Transfers and subsidies</b>	<b>33 816.7</b>	<b>35 259.4</b>	<b>34 975.5</b>	<b>35 216.4</b>	<b>954.8</b>	<b>36 171.2</b>	<b>36 171.2</b>
Provinces and municipalities	33 746.0	35 186.0	34 897.8	35 131.5	857.6	35 989.1	35 989.1
Departmental agencies and accounts	66.0	67.5	67.5	78.1	–	78.1	78.1
Foreign governments and international organisations	–	–	0.1	0.1	0.0	0.1	0.1
Public corporations and private enterprises	0.1	0.1	–	–	–	–	–
Non-profit institutions	4.7	4.7	8.3	4.8	3.5	8.3	8.3
Households	–	1.1	1.8	1.9	93.6	95.5	95.5
<b>Payments for capital assets</b>	<b>6.8</b>	<b>8.1</b>	<b>9.2</b>	<b>8.2</b>	<b>5.1</b>	<b>13.3</b>	<b>13.3</b>
Machinery and equipment	6.8	8.1	9.2	8.2	5.1	13.3	13.3
<b>Payments for financial assets</b>	<b>–</b>	<b>0.0</b>	<b>0.4</b>	<b>–</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>34 193.9</b>	<b>35 639.0</b>	<b>35 343.2</b>	<b>35 604.4</b>	<b>1 079.1</b>	<b>36 683.5</b>	<b>36 629.6</b>

**Table 3.B Summary of personnel numbers and compensation of employees**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Permanent and full time contract employees</b>							
Compensation (R million)	116.2	128.1	153.8	174.1	241.9	255.3	268.1
Unit cost (R million)	0.3	0.3	0.3	0.3	0.4	0.4	0.3
<i>Administration</i>	0.2	0.2	0.3	0.5	0.4	0.4	0.3
<i>Policy, Research and Knowledge Management Support</i>	0.2	0.2	0.3	0.4	0.3	0.3	0.3
<i>Governance and Intergovernmental Relations</i>	0.2	0.2	0.2	0.4	0.4	0.3	0.3
<i>National Disaster Management Centre</i>	0.2	0.2	0.3	0.3	0.4	0.3	0.3
<i>Traditional Affairs</i>	0.2	0.2	0.3	0.3	0.4	0.4	0.3
Personnel numbers (head count)	415	509	524	581	657	723	825
<b>Total for department</b>							
<b>Compensation (R million)</b>	116.2	128.1	153.8	174.1	241.9	255.3	268.1
<b>Unit cost (R million)</b>	0.3	0.2	0.3	0.3	0.4	0.3	0.3
<b>Personnel numbers (head count)</b>	415	535	554	613	691	759	825

Table 3.C Detail of approved establishment and personnel numbers according to salary level <sup>1</sup>

	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year <sup>2</sup>	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Department</b>	<b>582</b>	<b>582</b>	<b>149</b>	<b>568</b>	<b>559</b>	<b>549</b>	<b>428</b>	<b>657</b>	<b>723</b>	<b>825</b>
Salary level 1 – 6	161	161	37	158	150	145	126	176	190	210
Salary level 7 – 10	154	154	61	178	165	149	116	225	256	303
Salary level 11 – 12	118	118	31	87	102	114	82	104	120	145
Salary level 13 – 16	149	149	20	145	142	141	104	152	157	167
<b>Administration</b>	<b>186</b>	<b>186</b>	<b>52</b>	<b>204</b>	<b>192</b>	<b>178</b>	<b>162</b>	<b>297</b>	<b>310</b>	<b>346</b>
Salary level 1 – 6	64	64	11	74	68	59	58	92	94	102
Salary level 7 – 10	55	55	20	61	58	51	47	105	110	127
Salary level 11 – 12	25	25	13	28	27	26	24	38	44	53
Salary level 13 – 16	42	42	8	41	39	42	33	62	62	64
<b>Policy, Research and Knowledge Management Support</b>	<b>62</b>	<b>62</b>	<b>16</b>	<b>70</b>	<b>71</b>	<b>61</b>	<b>51</b>	<b>56</b>	<b>58</b>	<b>65</b>
Salary level 1 – 6	20	20	4	18	18	20	15	21	21	22
Salary level 7 – 10	13	13	6	19	17	13	10	17	18	20
Salary level 11 – 12	14	14	3	11	14	14	12	7	8	11
Salary level 13 – 16	15	15	3	22	22	14	14	11	11	12
<b>Governance and Intergovernmental Relations</b>	<b>267</b>	<b>267</b>	<b>71</b>	<b>232</b>	<b>234</b>	<b>247</b>	<b>153</b>	<b>178</b>	<b>217</b>	<b>250</b>
Salary level 1 – 6	59	59	19	51	48	51	35	40	50	57
Salary level 7 – 10	63	63	30	72	68	63	38	56	75	91
Salary level 11 – 12	65	65	15	39	49	62	34	35	41	47
Salary level 13 – 16	80	80	7	70	69	71	46	47	51	55
<b>National Disaster Management Centre</b>	<b>22</b>	<b>22</b>	<b>–</b>	<b>19</b>	<b>20</b>	<b>22</b>	<b>17</b>	<b>50</b>	<b>55</b>	<b>63</b>
Salary level 1 – 6	3	3	–	1	3	3	3	16	16	17
Salary level 7 – 10	8	8	–	11	7	8	6	14	17	21
Salary level 11 – 12	7	7	–	2	5	5	5	9	11	13
Salary level 13 – 16	4	4	–	5	5	6	3	11	11	12
<b>Traditional Affairs</b>	<b>45</b>	<b>45</b>	<b>10</b>	<b>43</b>	<b>42</b>	<b>41</b>	<b>45</b>	<b>76</b>	<b>83</b>	<b>101</b>
Salary level 1 – 6	15	15	3	14	13	12	15	7	9	12
Salary level 7 – 10	15	15	5	15	15	14	15	33	36	44
Salary level 11 – 12	7	7	–	7	7	7	7	15	16	21
Salary level 13 – 16	8	8	2	7	7	8	8	21	22	24

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2009.

Table 3.D Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R million)	116.2	141.3	166.4	174.1	241.9	255.3	268.1
Training expenditure (R million)	1.7	2.3	1.7	1.8	2.4	2.6	2.7
Training as percentage of compensation	1.4%	1.6%	1.0%	1.0%	1.0%	1.0%	1.0%
Total number trained in department (head count)	331	501	–	–			
<i>of which:</i>							
Internships trained (head count)	–	26	–	–			

Table 3.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R million										
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
Municipal infrastructure grant	Water, sanitation, roads and electricity	Various	–	5 938.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
	Building in house capacity	Various	200.0	200.0	–	–	–	–	–	–
<b>Total</b>			<b>200.0</b>	<b>6 138.4</b>	<b>8 754.1</b>	<b>9 138.1</b>	<b>11 433.5</b>	<b>12 528.9</b>	<b>15 068.6</b>	<b>18 322.0</b>

