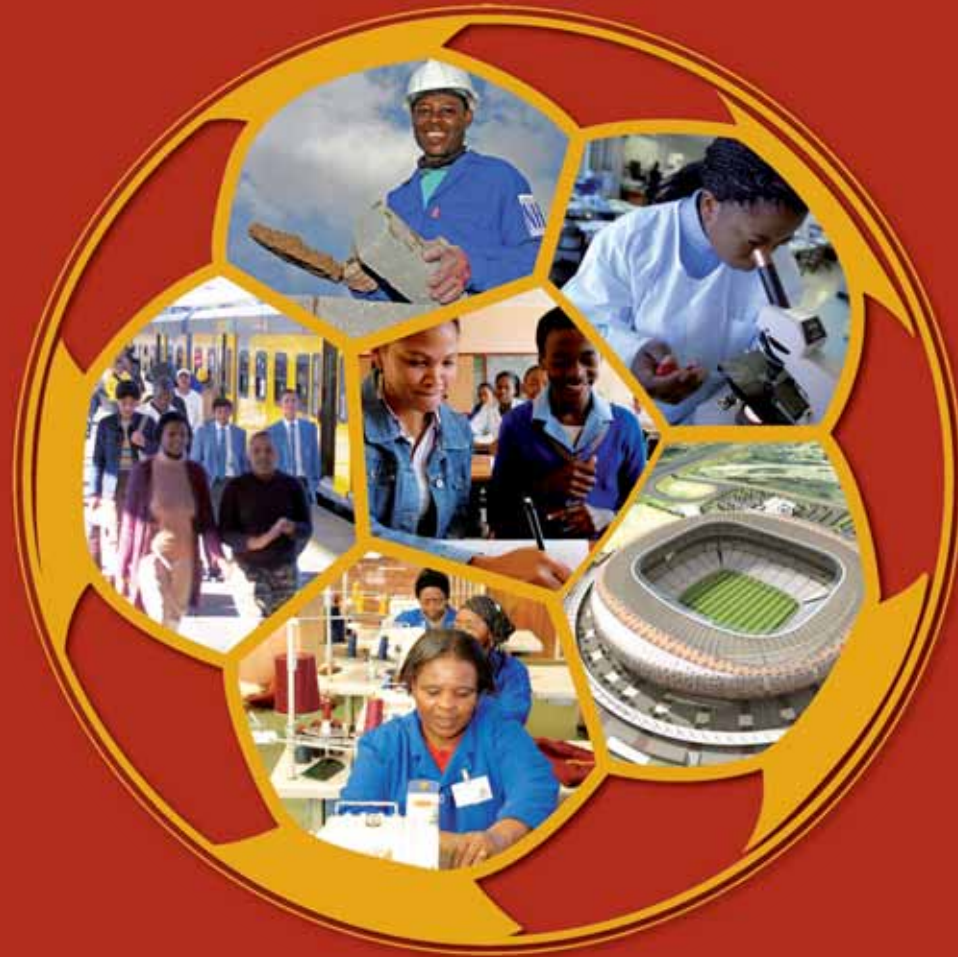


Vote 3 Cooperative Governance and Traditional Affairs



Estimates of National Expenditure 2010



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2010

National Treasury

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The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on www.treasury.gov.za

Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



Lesetja Kganyago

Director-General: National Treasury

Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

Newly created vote	Department/s from which all or some functions have been shifted
Agriculture, Forestry and Fisheries	Agriculture Water Affairs and Forestry Environmental Affairs and Tourism
Water Affairs	Water Affairs and Forestry
Human Settlements	Housing Water Affairs and Forestry
Environmental Affairs	Environmental Affairs and Tourism
Tourism	Environmental Affairs and Tourism
Basic Education	Education
Higher Education and Training	Education Labour (still exists)
Cooperative Governance and Traditional Affairs	Provincial and Local Government
Defence and Military Veterans	Defence
Economic Development	Trade and Industry (still exists)
Energy	Minerals and Energy
Mineral Resources	Minerals and Energy
International Relations and Cooperation	Foreign Affairs
Police	Safety and Security
Rural Development and Land Reform	Land Affairs Provincial and Local Government
Women, Children and People with Disabilities	The Presidency (still exists) Justice and Constitutional Development (still exists)

Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget¹, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.

About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

National Treasury receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

Social Development's gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

Justice, crime prevention and security

Police is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

Correctional Services is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

Economic services and infrastructure

Human Settlements is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

Energy receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

Cooperative Governance and Traditional Affairs has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

Transport's R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

Overview of expenditure

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.

Summary tables

Table 1: Main budget framework

Table 2: Additional allocation to national votes

Table 3: Expenditure by national vote

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Table 5: Amounts to be appropriated from the National Revenue Fund

Table 6a: Conditional grants to provinces

Table 6b: Conditional grants to municipalities

Table 7: Training expenditure per vote

Table 8: Infrastructure expenditure per vote

Table 9: Personnel expenditure per vote

Table 10: Departmental receipts per vote

Table 1. Main budget framework 2006/07 to 2012/13

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue (National Revenue Fund)							
Tax revenue (gross)	495 548.6	572 814.6	625 100.2	590 425.0	647 850.0	721 477.0	818 298.0
Departmental and other receipts, and repayments	10 843.3	11 671.7	12 616.2	8 982.6	10 380.3	11 483.2	12 379.4
Less: Southern Africa Customs Union payments	-25 194.9	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-11 211.0	-22 781.0
Total revenue	481 197.0	559 773.8	608 795.7	571 492.1	643 239.0	721 749.2	807 896.4
<i>Percentage of GDP</i>	<i>26.2%</i>	<i>26.9%</i>	<i>26.2%</i>	<i>23.3%</i>	<i>23.8%</i>	<i>24.3%</i>	<i>24.5%</i>
Expenditure							
State debt cost	52 192.2	52 877.1	54 393.7	57 599.8	71 357.6	88 462.7	104 022.0
<i>Percentage of GDP</i>	<i>2.8%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.2%</i>
Current payments ¹	77 911.5	88 599.8	103 563.2	119 215.8	130 938.5	141 636.6	148 890.9
Transfers and subsidies	332 685.1	391 023.5	458 352.8	530 553.1	579 667.8	634 811.7	674 058.0
Payments for capital assets ¹	6 067.8	7 182.9	8 780.8	8 687.9	9 290.5	10 676.6	13 342.9
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 760.0	20 888.6	750.0	-
Contingency reserve	-	-	-	-	6 000.0	12 000.0	24 000.0
Total expenditure	470 192.5	541 495.7	636 063.5	748 816.5	818 142.9	888 337.6	964 313.8
<i>Percentage of GDP</i>	<i>25.6%</i>	<i>26.0%</i>	<i>27.4%</i>	<i>30.6%</i>	<i>30.3%</i>	<i>29.9%</i>	<i>29.3%</i>
Budget deficit²	11 004.5	18 278.1	-27 267.7	-177 324.3	-174 904.0	-166 588.4	-156 417.4
<i>Percentage of GDP</i>	<i>0.6%</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-7.2%</i>	<i>-6.5%</i>	<i>-5.6%</i>	<i>-4.7%</i>
<i>GDP</i>	<i>1 833 191.0</i>	<i>2 081 626.0</i>	<i>2 320 117.0</i>	<i>2 449 857.9</i>	<i>2 699 888.0</i>	<i>2 967 560.3</i>	<i>3 295 748.7</i>

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

Table 2. Additional allocation to national votes 2010/11 to 2012/13¹

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
Central Government Administration	1 882.8	3 072.3	7 510.5	12 465.6
1 The Presidency	85.6	106.5	117.1	309.1
2 Parliament	145.9	150.0	152.5	448.4
3 Cooperative Governance and Traditional Affairs	1 206.7	2 557.8	6 958.5	10 723.1
4 Home Affairs	224.0	80.7	87.3	392.1
5 International Relations and Cooperation	92.6	105.6	115.4	313.5
6 Public Works	97.1	35.5	38.5	171.1
7 Women, Children and People with Disabilities	31.0	36.1	41.2	108.3
Financial and Administrative Services	1 826.9	1 837.5	1 381.0	5 045.4
8 Government Communication and Information System	24.5	25.3	25.7	75.4
9 National Treasury	1 721.7	1 660.0	1 298.6	4 680.3
10 Public Enterprises	38.7	3.2	3.5	45.4
11 Public Service and Administration	10.2	11.9	12.9	35.0
12 Statistics South Africa	31.9	137.2	40.3	209.4
Social Services	5 143.8	8 479.1	13 507.1	27 130.0
13 Arts and Culture	15.3	18.1	19.4	52.8
14 Basic Education	800.8	1 052.5	1 278.0	3 131.3
15 Health	1 930.7	2 896.1	3 998.8	8 825.6
16 Higher Education and Training	421.1	761.3	1 249.0	2 431.4
17 Labour	59.2	49.1	51.9	160.3
18 Social Development	1 910.3	3 694.0	6 900.6	12 505.0
19 Sport and Recreation South Africa	6.3	7.9	9.3	23.6
Justice, Crime Prevention and Security	3 899.4	4 730.2	6 437.0	15 066.6
20 Correctional Services	883.1	919.4	952.8	2 755.3
21 Defence and Military Veterans	1 092.7	1 400.3	2 190.1	4 683.2
22 Independent Complaints Directorate	2.2	4.6	5.8	12.7
23 Justice and Constitutional Development	358.9	529.2	686.1	1 574.1
24 Police	1 562.5	1 876.7	2 602.1	6 041.3
Economic Services and Infrastructure	4 296.7	5 684.4	8 184.8	18 166.0
25 Agriculture, Forestry and Fisheries	57.2	195.8	310.8	563.8
26 Communications	5.1	5.9	6.4	17.4
27 Economic Development	115.0	160.0	175.0	450.0
28 Energy	1 528.8	1 544.4	1 546.8	4 620.0
29 Environmental Affairs	88.8	111.3	216.6	416.7
30 Human Settlements	242.9	360.5	1 761.3	2 364.7
31 Mineral Resources	20.3	33.2	43.0	96.5
32 Rural Development and Land Reform	301.2	348.1	352.1	1 001.4
33 Science and Technology	34.7	40.8	93.7	169.2
34 Tourism	47.7	63.3	74.9	185.9
35 Trade and Industry	905.6	1 294.0	1 638.8	3 838.3
36 Transport	495.8	1 081.6	1 359.3	2 936.7
37 Water Affairs	453.7	445.6	606.1	1 505.4
Total	17 049.6	23 803.6	37 020.3	77 873.6

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3. Expenditure by national vote 2006/07 to 2012/13

R million	Audited Outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Central Government Administration				
1 The Presidency	224.4	651.4	312.4	694.8
2 Parliament	755.1	902.1	1 135.1	1 108.0
3 Cooperative Governance and Traditional Affairs	24 571.6	30 026.2	35 343.2	36 683.5
4 Home Affairs	2 546.9	3 241.7	4 666.6	5 263.8
5 International Relations and Cooperation	2 944.7	4 069.7	5 472.3	5 553.0
6 Public Works	3 025.8	3 402.3	4 197.0	5 890.1
7 Women, Children and People with Disabilities	49.6	52.5	61.9	68.2
Financial and Administrative Services				
8 Government Communication and Information System	293.1	380.9	427.5	496.8
9 National Treasury	16 171.0	18 966.2	31 312.1	62 845.6
10 Public Enterprises	2 589.8	4 604.0	3 265.1	3 991.2
11 Public Service and Administration	583.7	609.6	630.6	682.8
12 Statistics South Africa	1 096.6	1 054.3	1 323.1	1 715.2
Social Services				
13 Arts and Culture	1 329.9	1 585.8	2 114.5	2 632.1
14 Basic Education	1 571.6	2 165.3	3 284.4	4 474.4
15 Health	11 338.0	12 762.7	15 464.5	18 423.5
16 Higher Education and Training	14 292.2	15 997.3	18 765.9	20 696.6
17 Labour	1 343.3	1 431.5	1 507.2	1 709.2
18 Social Development	61 676.1	67 191.4	76 096.7	86 508.2
19 Sport and Recreation South Africa	886.5	5 048.0	4 871.4	2 883.9
Justice, Crime Prevention and Security				
20 Correctional Services	9 251.2	11 122.4	12 822.6	13 834.5
21 Defence and Military Veterans	23 817.6	25 180.1	27 801.3	31 325.3
22 Independent Complaints Directorate	65.3	80.9	99.3	116.5
23 Justice and Constitutional Development	5 853.8	7 194.0	8 244.4	9 721.0
24 Police	32 634.9	36 525.9	41 635.2	47 622.0
Economic Services and Infrastructure				
25 Agriculture, Forestry and Fisheries	2 711.0	3 858.6	3 465.0	3 874.5
26 Communications	1 319.6	1 911.8	2 328.6	2 470.5
27 Economic Development	238.7	245.1	220.4	316.2
28 Energy	1 930.8	2 189.1	2 918.4	3 756.9
29 Environmental Affairs	1 164.2	1 654.1	1 882.7	2 244.2
30 Human Settlements	7 178.2	8 716.1	11 147.4	14 036.2
31 Mineral Resources	676.8	758.2	811.6	925.1
32 Rural Development and Land Reform	3 724.6	5 896.6	6 663.7	6 401.4
33 Science and Technology	2 613.0	3 127.3	3 703.5	4 261.7
34 Tourism	853.5	1 065.1	1 211.8	1 155.7
35 Trade and Industry	3 566.1	5 050.2	4 836.6	6 085.9
36 Transport	13 360.4	16 331.6	24 838.6	24 238.5
37 Water Affairs	3 851.9	4 802.9	5 795.3	7 342.6
Total appropriation by vote	262 101.6	309 853.1	370 678.0	442 049.4
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.2	2.3	4.0	4.3
Members remuneration (Parliament)	223.3	240.7	356.9	376.7
State debt costs (National Treasury)	52 192.2	52 877.1	54 393.7	59 995.0
Provincial equitable share (National Treasury)	149 245.6	171 053.7	201 795.6	236 877.8
General fuel levy sharing with metros (National Treasury)	-	-	-	6 800.1
Skills levy and Setas (Higher Education and Training)	5 328.4	6 284.3	7 234.1	7 750.0
Judges and magistrates salaries (Justice and Constitutional Development)	1 099.3	1 184.5	1 601.1	1 669.7
Total direct charges against the National Revenue Fund	208 090.9	231 642.6	265 385.4	313 473.5
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 3. Expenditure by national vote 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
				Central Government Administration
691.8	722.6	772.2	810.5	The Presidency
1 108.0	1 179.2	1 238.6	1 288.4	Parliament
36 629.6	43 921.5	50 449.1	57 238.3	Cooperative Governance and Traditional Affairs
5 159.4	5 719.6	5 003.5	5 144.8	Home Affairs
5 508.0	4 824.4	5 087.0	5 393.0	International Relations and Cooperation
5 740.1	6 446.3	7 984.1	8 246.2	Public Works
68.2	97.8	108.3	114.9	Women, Children and People with Disabilities
				Financial and Administrative Services
496.8	546.2	507.1	515.4	Government Communication and Information System
62 512.7	50 219.9	33 127.9	34 265.6	National Treasury
3 991.2	350.6	186.8	196.2	Public Enterprises
681.0	651.5	657.1	684.1	Public Service and Administration
1 715.2	1 973.4	2 845.9	1 769.6	Statistics South Africa
				Social Services
2 440.1	2 406.7	2 417.4	2 562.7	Arts and Culture
4 197.9	6 166.2	7 549.8	8 099.3	Basic Education
18 025.5	21 497.0	23 707.9	25 844.7	Health
20 681.8	23 720.7	26 104.6	27 856.1	Higher Education and Training
1 674.4	1 783.9	1 866.6	1 942.5	Labour
86 108.2	95 929.1	105 715.4	114 023.7	Social Development
2 872.4	1 245.6	760.5	793.7	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
13 834.5	15 129.0	16 027.4	18 277.2	Correctional Services
30 325.3	30 715.3	33 931.4	36 386.5	Defence and Military Veterans
116.5	129.3	144.1	152.4	Independent Complaints Directorate
9 673.3	10 250.5	11 083.7	11 730.6	Justice and Constitutional Development
47 622.0	52 556.4	56 916.6	60 390.8	Police
				Economic Services and Infrastructure
3 305.5	3 658.0	4 361.4	4 740.5	Agriculture, Forestry and Fisheries
2 354.5	2 114.0	1 814.1	1 630.4	Communications
316.2	418.6	494.4	520.3	Economic Development
3 740.2	5 535.4	5 739.6	5 538.7	Energy
2 244.2	2 607.8	2 817.5	3 058.7	Environmental Affairs
14 036.2	16 201.5	18 483.0	19 603.8	Human Settlements
924.0	1 030.0	1 112.1	1 168.0	Mineral Resources
6 401.4	6 769.6	7 972.9	8 360.1	Rural Development and Land Reform
4 261.7	4 615.5	4 968.8	4 560.2	Science and Technology
1 155.7	1 151.8	1 223.2	1 291.2	Tourism
5 988.8	6 150.1	6 757.4	7 264.0	Trade and Industry
24 164.1	25 086.3	27 960.1	29 169.5	Transport
6 969.8	7 996.6	9 090.2	9 628.2	Water Affairs
437 736.1	461 517.9	486 987.8	520 261.0	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.3	4.6	4.8	5.1	President and Deputy President salary (The Presidency)
376.7	392.7	409.6	430.1	Members remuneration (Parliament)
57 599.8	71 357.6	88 462.7	104 022.0	State debt costs (National Treasury)
236 877.8	260 973.7	280 688.7	294 780.0	Provincial equitable share (National Treasury)
6 800.1	7 542.4	8 531.1	8 957.7	General fuel levy sharing with metros (National Treasury)
7 750.0	8 424.2	9 148.7	9 606.1	Skills levy and Setas (Higher Education and Training)
1 671.7	1 929.9	2 104.2	2 251.9	Judges and magistrates salaries (Justice and Constitutional Development)
311 080.3	350 625.0	389 349.8	420 052.9	Total direct charges against the National Revenue Fund
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 4. Expenditure by economic classification 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Current payments				
Compensation of employees	49 574.2	56 243.2	64 973.4	76 392.8
Salaries and wages	41 022.9	46 738.9	53 788.3	63 755.1
Social contributions	8 551.3	9 504.3	11 185.1	12 637.7
Goods and services	28 335.8	32 354.3	38 587.4	44 065.4
Interest and rent on land	52 193.7	52 879.3	54 396.1	59 995.8
Interest (including interest on finance leases)	52 193.0	52 878.6	54 395.9	59 995.0
Rent on land	0.7	0.7	0.2	0.8
Total current payments	130 103.7	141 476.8	157 956.9	180 454.0
Transfers and subsidies to:				
Provinces and municipalities	205 438.3	243 233.9	289 397.3	345 879.0
Provinces	178 867.2	205 829.6	245 302.3	295 353.2
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
Municipalities	26 571.1	37 404.3	44 095.1	50 525.8
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
Departmental agencies and accounts	38 102.1	44 531.2	53 572.4	58 512.9
Social security funds	7.0	8.5	2 508.7	12.7
Departmental agencies (non-business entities)	38 095.0	44 522.7	51 063.6	58 500.3
Universities and technikons	11 056.0	12 003.8	13 897.7	15 437.4
Foreign governments and international organisations	919.3	936.0	1 010.6	1 266.8
Public corporations and private enterprises	13 424.4	18 764.3	20 170.1	20 061.4
Public corporations	9 872.3	14 155.2	14 694.3	17 851.2
Subsidies on products or production	4 101.1	3 691.7	4 676.1	5 188.9
Other transfers to public corporations	5 771.2	10 463.5	10 018.2	12 662.3
Private enterprises	3 552.1	4 609.0	5 475.8	2 210.2
Subsidies on products or production	3 339.6	4 111.4	5 193.5	1 855.1
Other transfers to private enterprises	212.5	497.6	282.3	355.1
Non-profit institutions	882.1	1 002.8	1 220.2	1 225.3
Households	62 862.9	70 551.4	79 084.5	91 029.5
Social benefits	59 569.1	65 170.5	73 611.2	85 989.9
Other transfers to households	3 293.8	5 381.0	5 473.3	5 039.6
Total transfers and subsidies	332 685.1	391 023.5	458 352.8	533 412.3
Payments for capital assets				
Buildings and other fixed structures	2 481.5	3 838.2	5 566.8	5 961.3
Buildings	2 376.9	3 325.7	4 893.8	4 843.3
Other fixed structures	104.6	512.5	673.0	1 118.0
Machinery and equipment	3 322.8	3 210.7	2 965.0	2 741.0
Transport equipment	1 522.3	1 528.0	1 419.6	1 467.8
Other machinery and equipment	1 800.5	1 682.7	1 545.4	1 273.1
Specialised military assets	-	-	-	27.6
Biological assets	0.7	11.2	2.7	1.1
Land and subsoil assets	31.5	27.4	49.0	-
Software and other intangible assets	231.4	95.5	197.4	167.4
Total payments for capital assets	6 067.8	7 182.9	8 780.8	8 898.3
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 758.3
Total	470 192.5	541 495.7	636 063.5	755 522.9
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 4. Expenditure by economic classification 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
76 008.7	84 093.2	90 167.3	95 232.5	Current payments
				Compensation of employees
63 383.4	69 171.6	74 337.1	78 539.2	Salaries and wages
12 625.3	14 921.6	15 830.2	16 693.2	Social contributions
43 205.8	46 843.3	51 466.9	53 656.0	Goods and services
57 601.0	71 359.6	88 465.0	104 024.5	Interest and rent on land
57 600.2	71 358.7	88 464.1	104 023.5	Interest (including interest on finance leases)
0.8	0.8	0.9	1.0	Rent on land
176 815.6	202 296.0	230 099.3	252 913.0	Total current payments
				Transfers and subsidies to:
				Provinces and municipalities
345 167.9	381 726.9	417 237.3	442 587.4	Provinces
294 968.2	322 858.2	350 547.1	369 348.4	Provincial revenue funds
294 968.2	322 858.2	350 547.1	369 348.4	
50 199.7	58 868.7	66 690.2	73 239.0	Municipalities
50 199.7	58 868.7	66 690.2	73 239.0	Municipal bank accounts
57 114.3	58 456.5	65 123.0	68 388.7	Departmental agencies and accounts
12.7	11.6	12.4	13.0	Social security funds
57 101.6	58 445.0	65 110.6	68 375.7	Departmental agencies (non-business entities)
15 437.4	17 532.0	19 318.5	20 669.2	Universities and technikons
1 260.9	1 313.9	1 288.8	1 380.3	Foreign governments and international organisations
19 725.2	20 129.1	20 700.1	21 489.8	Public corporations and private enterprises
17 555.0	16 988.4	17 034.7	17 355.7	Public corporations
5 198.9	5 180.8	5 262.0	5 499.9	Subsidies on products or production
12 356.1	11 807.6	11 772.7	11 855.7	Other transfers to public corporations
2 170.1	3 140.7	3 665.4	4 134.1	Private enterprises
1 795.1	2 778.8	3 255.0	3 629.1	Subsidies on products or production
375.1	362.0	410.3	505.0	Other transfers to private enterprises
1 225.1	2 275.2	2 339.0	1 894.0	Non-profit institutions
90 622.4	98 234.2	108 805.0	117 648.6	Households
85 620.3	92 792.8	102 213.6	110 636.4	Social benefits
5 002.1	5 441.4	6 591.5	7 012.1	Other transfers to households
530 553.1	579 667.8	634 811.7	674 058.0	Total transfers and subsidies
				Payments for capital assets
5 862.9	5 994.9	7 237.3	9 660.6	Buildings and other fixed structures
4 743.8	4 537.4	4 836.4	6 935.7	Buildings
1 119.2	1 457.5	2 400.9	2 725.0	Other fixed structures
2 735.2	3 236.9	3 381.4	3 525.6	Machinery and equipment
1 467.8	1 352.7	1 474.3	1 690.0	Transport equipment
1 267.4	1 884.2	1 907.2	1 835.6	Other machinery and equipment
27.6	19.6	24.5	122.0	Specialised military assets
1.1	1.6	0.7	0.7	Biological assets
–	–	–	–	Land and subsoil assets
61.0	37.5	32.7	33.8	Software and other intangible assets
8 687.9	9 290.5	10 676.6	13 342.9	Total payments for capital assets
32 760.0	20 888.6	750.0	0.0	Payments for financial assets
748 816.5	812 142.9	876 337.6	940 313.8	Total
–	6 000.0	12 000.0	24 000.0	Contingency reserve
–	–	–	–	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹	
R million	2009/10	2010/11						
Central Government Administration								
1	The Presidency	609.6	343.0	371.9	12.2	-	727.2	117.6
2	Parliament	1 350.7	1 275.4	284.8	11.7	-	1 571.9	221.2
3	Cooperative Governance and Traditional Affairs	35 604.4	619.7	43 288.5	13.3	-	43 921.5	8 317.0
4	Home Affairs	5 050.6	3 992.4	1 587.8	139.3	-	5 719.6	669.0
5	International Relations and Cooperation	5 337.0	3 688.6	820.2	315.7	-	4 824.4	-512.6
6	Public Works	5 298.0	2 042.8	3 029.6	1 373.9	-	6 446.3	1 148.3
7	Women, Children and People with Disabilities	64.0	39.3	51.9	6.6	-	97.8	33.8
Financial and Administrative Services								
8	Government Communication and Information System	482.0	355.5	187.4	3.4	-	546.2	64.2
9	National Treasury	354 795.2	72 806.9	296 522.2	14.5	20 750.0	390 093.6	35 298.4
10	Public Enterprises	3 797.3	174.7	36.7	0.6	138.6	350.6	-3 446.8
11	Public Service and Administration	596.3	376.9	271.6	2.9	-	651.5	55.2
12	Statistics South Africa	1 608.6	1 871.5	3.8	98.1	-	1 973.4	364.8
Social Services								
13	Arts and Culture	2 623.5	311.1	2 089.1	6.6	-	2 406.7	-216.7
14	Basic Education	3 929.9	1 777.1	4 385.1	4.1	-	6 166.2	2 236.3
15	Health	17 058.1	1 063.0	20 403.3	30.7	-	21 497.0	4 438.9
16	Higher Education and Training	25 259.6	382.4	31 752.7	9.8	-	32 144.9	6 885.3
17	Labour	1 671.0	1 259.9	515.2	8.8	-	1 783.9	112.9
18	Social Development	86 408.3	543.0	95 376.0	10.1	-	95 929.1	9 520.7
19	Sport and Recreation South Africa	2 859.9	192.9	1 047.6	5.1	-	1 245.6	-1 614.3
Justice, Crime Prevention and Security								
20	Correctional Services	13 238.6	14 007.7	13.1	1 108.3	-	15 129.0	1 890.5
21	Defence and Military Veterans	32 024.4	23 099.0	6 830.1	786.2	-	30 715.3	-1 309.1
22	Independent Complaints Directorate	114.9	126.0	0.1	3.3	-	129.3	14.5
23	Justice and Constitutional Development	11 278.6	9 984.8	1 567.9	627.7	-	12 180.4	901.8
24	Police	46 409.7	49 336.4	438.4	2 781.7	-	52 556.4	6 146.7
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	2 903.5	1 773.5	1 836.5	47.9	-	3 658.0	754.5
26	Communications	2 266.9	483.2	1 626.7	4.1	-	2 114.0	-152.9
27	Economic Development	292.5	95.2	318.6	4.8	-	418.6	126.1
28	Energy	3 742.3	202.1	5 328.7	4.6	-	5 535.4	1 793.1
29	Environmental Affairs	2 261.0	910.2	1 224.3	473.3	-	2 607.8	346.8
30	Human Settlements	14 020.0	599.5	15 442.8	159.3	-	16 201.5	2 181.5
31	Mineral Resources	904.9	607.3	408.7	14.1	-	1 030.0	125.1
32	Rural Development and Land Reform	6 109.4	1 878.1	4 871.6	19.8	-	6 769.6	660.2
33	Science and Technology	4 234.1	362.0	4 249.5	4.1	-	4 615.5	381.4
34	Tourism	1 109.1	196.1	953.3	2.4	-	1 151.8	42.8
35	Trade and Industry	6 051.7	1 142.9	4 992.6	14.7	-	6 150.1	98.4
36	Transport	23 734.8	743.4	24 301.3	41.6	-	25 086.3	1 351.4
37	Water Affairs	7 462.4	3 632.8	3 238.5	1 125.3	-	7 996.6	534.2
Total	732 562.8	202 296.0	579 667.8	9 290.5	20 888.6	812 142.9	79 580.2	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a. Conditional grants to provinces 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	–	–	29.7	–	–	–	–	
6	Public Works	710.1	836.6	889.3	1 501.2	1 401.2	1 483.8	1 962.0	2 060.1
Financial and Administrative Services									
9	National Treasury	4 983.5	6 276.2	7 384.5	13 449.2	13 449.2	11 314.9	13 091.2	14 007.6
Social Services									
13	Arts and Culture	–	163.2	344.6	440.6	440.6	512.7	543.4	570.8
14	Basic Education	1 242.5	1 376.9	2 114.1	2 575.4	2 575.4	3 931.4	5 048.1	5 447.4
15	Health	10 206.5	11 552.7	14 028.7	16 702.5	16 417.5	19 852.8	21 971.8	24 030.4
16	Higher Education and Training	1 973.7	2 435.3	3 005.8	3 168.3	3 168.3	3 772.7	3 972.0	4 169.1
19	Sport and Recreation South Africa	119.0	194.0	293.7	402.3	402.3	426.4	452.0	474.6
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	401.1	761.7	898.0	973.7	973.7	1 116.9	1 437.1	1 508.9
30	Human Settlements	6 677.8	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
32	Rural Development and Land Reform	8.0	–	–	–	–	–	–	–
35	Trade and Industry	58.2	–	–	–	–	–	–	–
36	Transport	3 241.0	3 029.4	4 340.3	6 669.9	6 669.9	4 312.4	4 158.5	4 360.9
Total		29 621.6	34 775.9	43 506.6	58 475.4	58 090.4	61 884.5	69 858.4	74 568.4

1. Detail provided in the Division of Revenue Act (2010).

Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	6 138.4	8 954.1	9 308.4	11 633.5	11 633.5	12 740.9	15 293.3	18 557.9
6	Public Works	–	–	–	201.7	201.7	623.0	1 108.0	1 163.4
Financial and Administrative Services									
9	National Treasury	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
Social Services									
19	Sport and Recreation South Africa	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
Economic Services and Infrastructure									
28	Energy	390.7	462.5	589.1	1 108.0	1 092.2	1 240.1	1 376.6	1 151.4
36	Transport	518.0	1 174.0	2 928.7	2 428.0	2 428.0	3 709.9	4 436.1	4 136.7
37	Water Affairs	385.7	732.9	994.6	925.0	854.6	890.1	380.0	399.0
Total		8 443.1	16 645.0	18 477.3	19 316.2	18 990.1	21 111.1	24 169.1	26 994.8

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
1	1.5	2.3	1.4	1.9	2.2	2.4	2.6
2	10.7	10.6	11.9	10.1	10.4	14.2	15.0
3	1.7	2.3	1.7	1.8	2.4	2.6	2.7
4	35.6	32.4	34.0	35.1	30.9	28.2	28.5
5	4.0	13.1	8.1	12.4	14.4	14.1	14.1
6	12.8	15.2	22.0	26.1	27.5	28.5	29.9
Financial and Administrative Services							
8	2.4	4.7	4.2	3.7	4.4	4.2	4.4
9	9.3	16.1	16.9	33.6	19.8	20.4	21.2
10	0.8	1.6	1.7	2.2	1.9	2.0	2.0
11	2.0	2.2	3.7	2.6	3.6	3.5	3.7
12	7.7	11.9	14.0	21.2	45.1	42.1	40.0
Social Services							
13	2.4	3.1	4.5	2.1	2.3	2.4	2.5
14	1.6	2.8	6.5	1.7	2.5	2.4	2.5
15	5.5	9.5	1.8	4.5	5.5	6.1	6.6
16	1.8	2.5	2.9	1.9	2.6	2.8	2.9
17	8.9	6.5	8.9	8.3	8.9	9.3	9.8
18	2.2	1.7	1.8	2.3	2.5	2.6	2.8
19	0.5	0.9	0.9	1.1	1.1	1.1	1.1
Justice, Crime Prevention and Security							
20	111.4	125.6	76.0	89.5	64.0	100.5	105.6
21	85.6	87.4	117.7	113.6	145.6	151.0	167.0
22	0.5	0.6	0.6	0.7	0.7	0.8	0.8
23	12.4	18.3	37.5	86.4	78.9	83.6	89.4
24	807.5	966.0	1 124.0	1 006.5	1 386.6	1 449.0	1 514.2
Economic Services and Infrastructure							
25	27.3	20.3	24.2	16.4	20.0	21.8	23.3
26	3.1	3.7	6.0	9.0	9.4	9.9	10.4
27	-	-	-	-	0.1	0.2	0.2
28	0.6	0.7	1.6	2.1	3.5	3.9	4.1
29	2.3	2.1	2.2	2.3	2.5	2.7	2.9
30	2.0	1.2	2.9	12.9	14.1	15.2	16.1
31	1.5	1.7	3.8	9.1	3.5	3.9	4.1
32	11.6	9.0	9.4	11.9	12.6	13.3	13.9
33	1.0	3.6	5.2	6.5	5.1	5.4	5.6
34	1.5	1.4	1.5	1.0	1.0	1.0	1.1
35	3.2	1.0	2.5	9.3	11.0	11.5	12.0
36	3.0	3.2	1.8	3.9	4.0	4.0	4.1
37	37.0	38.9	40.8	63.1	65.7	67.3	70.7
Total	1 223.1	1 424.2	1 604.9	1 616.8	2 016.3	2 133.7	2 237.8

Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
2 Parliament	–	5.1	40.5	–	–	–	–
3 Cooperative Governance and Traditional Affairs	6 138.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
4 Home Affairs	45.1	61.4	68.0	56.1	67.2	132.5	129.8
5 International Relations and Cooperation	119.4	649.9	926.7	423.2	231.5	249.8	317.0
6 Public Works	414.1	488.0	988.4	1 220.6	1 303.9	1 603.9	1 634.7
Financial and Administrative Services							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
Social Services							
13 Arts and Culture	312.1	281.2	448.6	801.4	557.8	455.6	483.0
14 Basic Education	–	–	–	–	80.0	200.0	210.0
15 Health	1 498.7	2 118.5	1 884.8	3 495.2	3 939.6	3 789.7	3 805.0
16 Higher Education and Training	90.5	77.5	54.8	37.0	32.0	26.0	22.0
17 Labour	78.5	64.4	37.6	56.8	25.9	34.6	0.0
19 Sport and Recreation South Africa	600.0	4 605.0	4 295.0	1 661.1	302.3	–	–
Justice, Crime Prevention and Security							
20 Correctional Services	794.8	1 087.0	1 035.5	1 012.5	1 108.3	1 163.1	2 675.6
21 Defence and Military Veterans	49.2	93.4	476.5	452.0	1 120.7	841.1	1 218.3
23 Justice and Constitutional Development	323.7	361.1	479.5	515.5	631.5	759.4	865.0
24 Police	510.5	727.0	843.3	1 049.7	1 118.2	1 235.3	1 544.6
Economic Services and Infrastructure							
25 Agriculture, Forestry and Fisheries	120.0	112.0	108.6	115.0	172.9	270.8	253.5
26 Communications	100.0	646.0	950.0	810.0	420.9	279.0	167.0
28 Energy	1 328.9	1 525.6	1 888.8	2 400.3	4 271.9	4 366.4	4 565.5
29 Environmental Affairs	199.8	405.7	437.4	512.3	656.7	664.8	693.0
30 Human Settlements	–	3 829.9	1 885.1	1 674.3	2 014.8	2 248.4	2 341.9
32 Rural Development and Land Reform	14.4	5.6	6.3	11.8	17.4	18.3	44.7
33 Science and Technology	175.0	272.0	408.0	699.3	745.7	801.0	254.4
35 Trade and Industry	468.0	911.0	967.5	1 283.3	769.9	721.4	758.6
36 Transport	5 801.6	7 934.8	10 601.2	12 799.8	14 131.7	16 038.7	16 542.4
37 Water Affairs	85.9	644.4	1 467.1	1 976.8	2 279.9	3 358.1	3 805.1
Total	24 304.4	41 988.0	47 205.2	54 408.3	61 099.7	68 813.1	76 057.9

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9. Personnel expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	100.5	118.7	144.3	187.4	184.4	218.1	242.4	258.2
2	Parliament	446.6	521.0	708.6	780.1	780.1	856.1	905.7	951.2
3	Cooperative Governance and Traditional Affairs	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
4	Home Affairs	844.7	1 087.0	1 296.0	1 659.1	1 659.1	1 896.2	2 134.8	2 243.7
5	International Relations and Cooperation	1 136.5	1 293.2	1 683.4	2 062.6	2 062.6	2 017.1	2 101.4	2 203.1
6	Public Works	613.6	746.4	916.6	1 012.2	1 012.2	1 121.4	1 201.7	1 249.6
7	Women, Children and People with Disabilities	3.8	4.8	5.9	10.0	10.0	15.7	27.5	29.9
Financial and Administrative Services									
8	Government Communication and Information System	84.1	116.2	114.0	137.1	136.9	147.0	157.5	166.3
9	National Treasury	230.9	272.7	321.0	438.5	408.5	538.5	573.0	598.6
10	Public Enterprises	47.2	56.0	70.4	81.4	81.4	88.0	93.5	98.3
11	Public Service and Administration	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
12	Statistics South Africa	414.9	472.0	700.7	1 015.8	1 015.8	891.0	1 065.1	992.5
Social Services									
13	Arts and Culture	95.1	107.2	126.8	146.3	141.3	149.0	159.4	168.7
14	Basic Education	117.0	150.4	186.3	229.9	251.4	255.4	273.8	288.1
15	Health	231.7	258.6	292.5	329.1	329.1	369.7	403.4	442.4
16	Higher Education and Training	131.7	146.2	174.8	203.3	203.6	228.9	245.8	261.1
17	Labour	435.4	497.9	491.3	632.6	611.2	738.4	760.6	811.4
18	Social Development	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
19	Sport and Recreation South Africa	30.1	43.4	54.5	67.6	59.6	75.3	73.7	77.4
Justice, Crime Prevention and Security									
20	Correctional Services	5 606.6	6 799.2	8 077.8	9 313.0	9 313.0	10 483.8	11 058.5	11 611.2
21	Defence and Military Veterans	9 037.6	9 735.9	10 620.0	12 223.2	12 223.2	13 450.4	14 630.1	15 686.9
22	Independent Complaints Directorate	36.8	45.7	58.0	66.5	66.5	74.1	85.5	90.4
23	Justice and Constitutional Development	3 619.7	4 250.9	5 326.2	6 277.1	6 233.7	6 834.7	7 375.3	7 846.8
24	Police	22 730.2	25 610.6	29 147.4	33 770.2	33 770.2	37 148.8	39 660.3	41 777.4
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
26	Communications	99.0	97.7	108.0	147.4	147.4	160.4	169.2	177.9
27	Economic Development	-	-	-	12.6	12.6	59.5	78.0	89.8
28	Energy	49.7	68.2	84.6	113.1	112.1	133.0	140.4	142.8
29	Environmental Affairs	156.7	196.3	212.3	260.3	260.3	324.9	351.5	368.9
30	Human Settlements	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
31	Mineral Resources	196.4	222.3	245.5	287.6	287.0	352.3	392.1	414.7
32	Rural Development and Land Reform	406.0	476.4	614.2	954.8	954.8	1 072.2	1 141.5	1 199.8
33	Science and Technology	83.7	104.1	144.9	200.2	200.2	215.0	227.3	239.1
34	Tourism	102.8	130.8	106.4	89.6	89.6	98.5	112.1	160.6
35	Trade and Industry	283.6	327.5	383.1	513.0	469.0	557.8	590.4	628.5
36	Transport	111.2	131.3	182.6	221.0	221.0	259.4	282.2	296.6
37	Water Affairs	972.0	890.7	862.5	1 043.1	1 001.4	1 166.5	1 196.7	1 212.4
Total		49 574.2	56 243.2	64 973.4	76 392.8	76 008.7	84 093.2	90 167.3	95 232.5

Table 10. Departmental receipts per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	1.7	0.3	0.2	0.5	0.5	0.3	0.3	0.3
2	Parliament	41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
3	Cooperative Governance and Traditional Affairs	6.8	0.7	0.8	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	468.2	421.1	355.7	429.5	429.5	455.3	482.6	506.7
5	International Relations and Cooperation	46.3	65.1	43.6	39.2	18.4	31.2	33.3	33.2
6	Public Works	79.9	95.8	28.5	25.6	31.5	26.6	27.7	29.4
Financial and Administrative Services									
8	Government Communication and Information System	3.1	3.1	3.3	2.9	2.9	3.0	3.0	3.0
9	National Treasury	4 355.1	6 116.7	5 270.4	4 148.5	3 839.0	2 354.2	2 544.8	2 602.9
10	Public Enterprises	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.1
11	Public Service and Administration	1.8	2.7	1.0	0.9	0.9	0.7	0.7	0.7
12	Statistics South Africa	1.5	17.7	2.8	6.9	6.9	2.2	2.5	2.6
Social Services									
13	Arts and Culture	3.2	0.4	3.6	1.0	1.0	0.6	0.6	0.7
14	Basic Education	0.6	1.9	1.5	0.9	0.9	1.1	1.2	1.2
15	Health	33.3	41.2	31.2	33.7	33.7	31.5	32.8	32.9
16	Higher Education and Training	6.2	6.9	6.7	6.5	6.6	6.9	7.0	7.0
17	Labour	6.1	8.4	28.9	12.9	12.9	16.1	22.4	24.3
18	Social Development	865.3	237.0	16.5	0.2	20.2	510.2	10.2	10.2
19	Sport and Recreation South Africa	5.6	0.0	0.3	0.6	5.7	0.3	0.4	0.4
Justice, Crime Prevention and Security									
20	Correctional Services	100.0	136.3	80.5	131.2	136.7	143.4	152.0	161.0
21	Defence and Military Veterans	492.8	551.9	629.4	676.7	676.7	702.5	729.2	756.9
22	Independent Complaints Directorate	0.0	0.4	0.1	0.1	0.1	0.1	0.1	0.1
23	Justice and Constitutional Development	319.5	317.0	356.8	358.9	358.9	377.6	399.8	422.5
24	Police	251.9	345.1	376.5	332.6	332.6	341.7	321.3	324.5
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	141.1	121.1	254.0	219.7	216.7	119.3	121.5	118.2
26	Communications	2 613.8	3 007.4	3 520.1	933.0	1 160.8	925.0	959.4	993.4
27	Economic Development	177.5	229.3	244.4	484.8	420.0	230.0	243.8	250.0
28	Energy	0.1	1.2	3.3	3.5	3.5	3.7	3.9	4.1
29	Environmental Affairs	4.9	4.7	8.5	2.7	2.7	0.8	0.8	0.8
30	Human Settlements	1.9	0.7	2.4	0.5	2.8	0.5	0.5	0.6
31	Mineral Resources	191.0	267.1	261.3	161.8	161.8	205.6	211.8	213.9
32	Rural Development and Land Reform	158.8	176.4	64.2	231.2	61.1	68.4	69.0	64.5
33	Science and Technology	1.0	0.2	0.3	1.0	1.0	0.1	0.1	0.1
35	Trade and Industry	66.6	94.2	64.9	66.7	67.0	108.3	114.9	120.2
36	Transport	330.4	362.5	215.8	231.7	116.6	127.8	137.4	144.3
37	Water Affairs	137.2	0.1	26.6	72.6	39.8	41.2	44.0	44.0
Total departmental receipts as per Estimates of National Expenditure		10 915.2	12 686.3	11 960.0	8 635.5	8 188.0	6 852.2	6 691.4	6 887.0
Less: Parliament (retained departmental receipts)		41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
Plus: South African Revenue Service departmental receipts collection		-30.0	58.0	711.4	1 205.8	812.4	3 543.6	4 803.7	5 503.9
Total departmental receipts as per Budget Review		10 843.3	12 692.6	12 616.2	9 825.0	8 982.6	10 380.3	11 483.2	12 379.4

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions.

The Estimates of National Expenditure booklets for individual votes are available on 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.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

R million	2010/11					2011/12	2012/13
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by the department for its operational requirements.

Transfers and subsidies are payments made by the department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in departments where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide accountability information: the department's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the appropriation bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

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. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2009 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

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
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

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							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2009 Budget estimate							

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							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.

Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

Personnel numbers refers to the physical number (head count) of people employed by the department.

Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

Unitary fee refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Project monitoring costs are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Revenue generated is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government components for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance on infrastructure refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all tables a dash (-) indicates that information is unavailable or zero.

Cooperative Governance and Traditional Affairs

**National Treasury
Republic of South Africa**



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Vote 3

Cooperative Governance and Traditional Affairs

Budget summary

R thousand	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	188 131	184 846	220	3 065	197 680	205 088
Policy, Research and Knowledge Management Support	50 076	47 376	–	2 700	51 383	53 081
Governance and Intergovernmental Relations	43 570 837	299 721	43 266 835	4 281	50 076 543	56 850 590
National Disaster Management Centre	41 563	38 690	–	2 873	42 750	44 222
Traditional Affairs	70 863	49 072	21 401	390	80 793	85 292
Total expenditure estimates	43 921 470	619 705	43 288 456	13 309	50 449 149	57 238 273

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

The Estimates of National Expenditure booklets for individual votes are available on 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%	- ¹
- 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 thousand								
1. Administration	113 455	125 389	143 271	164 849	162 385	188 131	197 680	205 088
2. Policy, Research and Knowledge Management Support	35 628	39 303	40 851	40 559	38 759	50 076	51 383	53 081
3. Governance and Intergovernmental Relations	24 345 991	29 789 615	35 020 696	36 326 057	36 320 387	43 570 837	50 076 543	56 850 590
4. National Disaster Management Centre	37 581	26 144	82 075	98 740	58 740	41 563	42 750	44 222
5. Traditional Affairs	38 901	45 741	56 293	53 316	49 316	70 863	80 793	85 292
Total	24 571 556	30 026 192	35 343 186	36 683 521	36 629 587	43 921 470	50 449 149	57 238 273
Change to 2009 Budget estimate				1 076 482	1 022 548	1 379 866	2 695 670	7 097 120
Economic classification								
Current payments	301 616	324 970	358 117	499 025	445 091	619 705	713 412	815 187
Compensation of employees	116 166	128 146	153 753	172 325	164 761	241 929	255 265	268 050
Goods and services	185 450	196 824	204 294	326 700	280 330	377 776	458 147	547 137
<i>of which:</i>								
<i>Administrative fees</i>	323	177	100	62	62	88	92	93
<i>Advertising</i>	12 070	12 891	8 441	9 973	9 973	5 939	6 467	6 786
<i>Assets less than the capitalisation threshold</i>	1 966	1 122	1 786	1 150	1 150	1 596	1 700	1 796
<i>Audit cost: External</i>	2 564	4 305	3 220	3 178	3 178	3 000	3 144	3 235
<i>Bursaries: Employees</i>	273	566	706	700	700	1 400	1 467	1 510
<i>Catering: Departmental activities</i>	2 109	5 771	6 615	5 452	5 452	5 852	6 426	6 728
<i>Communication</i>	7 356	7 059	6 948	7 912	7 912	7 935	8 494	8 755
<i>Computer services</i>	4 519	5 211	19 109	28 834	28 834	8 185	8 530	8 776
<i>Consultants and professional services: Business and advisory services</i>	56 094	52 820	46 813	68 652	62 282	41 439	43 682	44 172
<i>Consultants and professional services: Infrastructure and planning</i>	-	-	-	-	(40 000)	24 500	33 200	43 600
<i>Consultants and professional services: Legal costs</i>	3 207	3 586	3 483	3 724	3 724	4 120	4 577	4 760
<i>Contractors</i>	9 469	9 105	4 645	5 865	5 865	3 209	3 528	3 661
<i>Agency and support / outsourced services</i>	300	1 981	3 196	6 484	6 484	1 000	1 076	1 114
<i>Entertainment</i>	265	9	46	708	708	295	318	329
<i>Fleet services (including government motor transport)</i>	-	-	-	-	-	430	473	520
<i>Inventory: Food and food supplies</i>	-	-	-	125	125	8	8	8
<i>Inventory: Fuel, oil and gas</i>	-	-	113	120	120	-	-	-
<i>Inventory: Learner and teacher support material</i>	-	-	11	15	15	85	89	92
<i>Inventory: Materials and supplies</i>	-	-	21	58 521	58 521	151 254	209 031	274 401
<i>Inventory: Medical supplies</i>	-	-	9	1	1	8	9	9
<i>Inventory: Other consumables</i>	-	-	181	276	276	539	574	607
<i>Inventory: Stationery and printing</i>	5 136	8 480	8 897	9 838	9 838	11 406	12 716	17 167
<i>Lease payments</i>	38 081	37 060	34 058	35 567	35 567	37 945	39 617	40 837
<i>Property payments</i>	-	-	4 124	8 447	8 447	8 333	8 733	8 986
<i>Travel and subsistence</i>	32 560	34 365	40 672	43 026	43 026	47 657	51 898	56 450
<i>Training and development</i>	1 232	1 446	2 709	6 379	6 379	2 975	3 106	3 196
<i>Operating expenditure</i>	2 535	3 769	2 128	3 739	3 739	2 947	3 241	3 367
<i>Venues and facilities</i>	5 391	7 099	6 263	17 953	17 953	5 631	5 951	6 176
<i>Interest and rent on land</i>	-	-	70	-	-	-	-	-
Transfers and subsidies	24 256 692	29 691 752	34 975 523	36 171 171	36 171 171	43 288 456	49 720 696	56 406 179
Provinces and municipalities	24 196 442	29 629 770	34 897 805	35 989 096	35 989 096	42 908 688	49 233 275	55 792 437
Departmental agencies and accounts	49 724	56 572	67 473	78 109	78 109	83 213	88 206	92 616
Foreign governments and international organisations	2 983	139	146	146	146	489	500	500
Non-profit institutions	6 809	4 472	8 325	8 315	8 315	9 104	10 410	10 916
Households	734	799	1 774	95 505	95 505	286 962	388 305	509 710

Table 3.2 Cooperative Governance and Traditional Affairs (continued)

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
R thousand								
Payments for capital assets	12 981	7 841	9 194	13 320	13 320	13 309	15 041	16 907
Machinery and equipment	4 837	6 750	9 194	13 320	13 320	10 609	12 310	14 112
Software and other intangible assets	8 144	1 091	-	-	-	2 700	2 731	2 795
Payments for financial assets	267	1 629	352	5	5	-	-	-
Total	24 571 556	30 026 192	35 343 186	36 683 521	36 629 587	43 921 470	50 449 149	57 238 273

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
Departmental receipts	6 830	731	820	602	602	627	633	649
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
Total	6 830	731	820	602	602	627	633	649

Programme 1: Administration

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
Minister ¹	843	951	1 415	1 709	1 816	1 916	2 012
Deputy Minister ¹	654	864	1 135	1 407	1 496	1 578	1 657
Management	25 515	30 379	35 029	51 302	49 516	50 925	52 680
Corporate Services	54 988	56 922	67 949	71 877	80 930	86 454	89 510
Communication and Liaison	10 621	9 300	11 187	12 058	26 332	27 084	28 019
Office Accommodation	20 567	25 344	26 204	26 491	28 041	29 723	31 210
Special Functions: Authorised Losses	267	1 629	352	5	-	-	-
Total	113 455	125 389	143 271	164 849	188 131	197 680	205 088
Change to 2009 Budget estimate				21 460	36 762	38 748	38 206

¹. 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.

Table 3.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Current payments	111 166	121 424	139 905	160 024	184 846	194 237	201 544
Compensation of employees	43 284	47 170	57 758	74 105	104 638	110 437	115 960
Goods and services	67 882	74 254	82 077	85 919	80 208	83 800	85 584
<i>of which:</i>							
<i>Administrative fees</i>	258	90	85	54	78	81	83
<i>Advertising</i>	4 500	4 117	3 065	3 248	2 837	2 973	3 059
<i>Assets less than the capitalisation threshold</i>	819	425	400	32	271	284	292
<i>Audit cost: External</i>	2 564	4 305	3 220	3 178	3 000	3 144	3 235
<i>Bursaries: Employees</i>	273	568	706	700	1 400	1 467	1 510
<i>Catering: Departmental activities</i>	566	1 030	1 669	2 042	776	813	837
<i>Communication</i>	5 794	5 369	4 511	5 081	5 023	5 265	5 355
<i>Computer services</i>	523	1 443	7 200	959	1 590	1 666	1 715
<i>Consultants and professional services: Business and advisory services</i>	6 501	4 309	5 797	5 109	4 325	4 241	3 681
<i>Consultants and professional services: Legal costs</i>	2 337	3 370	3 224	2 741	3 100	3 249	3 343
<i>Contractors</i>	4 265	6 277	994	591	1 320	1 383	1 423
<i>Agency and support / outsourced services</i>	80	1 571	1 049	513	840	880	906
<i>Entertainment</i>	198	5	44	519	138	144	149
<i>Inventory: Food and food supplies</i>	-	-	-	91	-	-	-
<i>Inventory: Fuel, oil and gas</i>	-	-	113	120	-	-	-
<i>Inventory: Learner and teacher support material</i>	-	-	-	-	85	89	92
<i>Inventory: Materials and supplies</i>	-	-	-	16	12	13	13
<i>Inventory: Medical supplies</i>	-	-	-	1	8	9	9
<i>Inventory: Other consumables</i>	-	-	159	220	307	322	331
<i>Inventory: Stationery and printing</i>	2 999	2 149	3 317	2 218	1 823	1 911	1 966
<i>Lease payments</i>	24 031	29 263	29 278	27 147	29 103	30 500	31 384
<i>Property payments</i>	-	-	4 077	8 447	8 333	8 733	8 986
<i>Travel and subsistence</i>	9 175	7 493	10 523	15 861	12 211	12 830	13 302
<i>Training and development</i>	694	968	1 152	515	1 491	1 563	1 608
<i>Operating expenditure</i>	1 365	1 099	771	806	1 180	1 237	1 273
<i>Venues and facilities</i>	940	403	723	5 710	957	1 003	1 032
Interest and rent on land	-	-	70	-	-	-	-
Transfers and subsidies	799	798	936	2 745	220	231	238
Provinces and municipalities	38	10	9	100	98	103	106
Non-profit institutions	70	-	-	-	-	-	-
Households	691	788	927	2 645	122	128	132
Payments for capital assets	1 223	1 538	2 078	2 075	3 065	3 212	3 306
Machinery and equipment	1 036	1 279	2 078	2 075	3 065	3 212	3 306
Software and other intangible assets	187	259	-	-	-	-	-
Payments for financial assets	267	1 629	352	5	-	-	-
Total	113 455	125 389	143 271	164 849	188 131	197 680	205 088

Table 3.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	38	10	9	100	98	103	106
Municipal services	-	10	-	100	98	103	106
Regional Services Council levies	38	-	-	-	-	-	-
Vehicle licenses	-	-	9	-	-	-	-
Non-profit institutions							
Current	70	-	-	-	-	-	-
Non-profit institutions	70	-	-	-	-	-	-
Households							
Social benefits							
Current	691	788	927	2 645	122	128	132
Employee social benefit	691	788	927	-	-	-	-
Households	-	-	-	-	122	128	132
Severance package	-	-	-	2 645	-	-	-

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 thousand							
Management: Research and Policy	1 257	1 133	2 290	2 938	2 850	2 931	3 032
Policy Methods and Research	6 292	9 021	13 675	13 751	16 980	17 493	18 131
Knowledge and Information Management	16 234	15 884	11 868	11 447	14 758	15 179	15 703
Information and Business Technologies	11 845	13 265	13 018	12 423	15 488	15 780	16 215
Total	35 628	39 303	40 851	40 559	50 076	51 383	53 081
Change to 2009 Budget estimate				(1 929)	4 787	3 608	2 905

Economic classification

Current payments	33 055	35 627	36 852	37 759	47 376	48 656	50 291
Compensation of employees	17 439	14 620	18 446	20 147	18 466	19 459	20 432
Goods and services	15 616	21 007	18 406	17 612	28 910	29 197	29 859
<i>of which:</i>							
<i>Administrative fees</i>	24	17	8	3	–	–	–
<i>Advertising</i>	305	13	40	140	644	650	665
<i>Assets less than the capitalisation threshold</i>	11	398	398	372	290	293	300
<i>Catering: Departmental activities</i>	76	325	701	312	834	842	861
<i>Communication</i>	297	187	327	518	221	223	228
<i>Computer services</i>	1 701	3 287	4 271	4 375	4 515	4 560	4 665
<i>Consultants and professional services: Business and advisory services</i>	7 818	5 470	4 512	4 034	11 499	11 612	11 870
<i>Contractors</i>	1 386	508	162	724	–	–	–
<i>Agency and support / outsourced services</i>	–	289	266	700	–	–	–
<i>Entertainment</i>	31	1	1	16	29	30	30
<i>Inventory: Food and food supplies</i>	–	–	–	4	–	–	–
<i>Inventory: Other consumables</i>	–	–	–	1	7	7	8

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	33 055	35 627	36 852	37 759	47 376	48 656	50 291
<i>Inventory: Stationery and printing</i>	707	5 131	2 167	1 636	1 919	1 939	1 983
<i>Lease payments</i>	164	1 095	120	225	140	141	144
<i>Travel and subsistence</i>	2 193	2 886	4 305	2 923	6 085	6 146	6 288
<i>Training and development</i>	120	209	602	363	302	305	312
<i>Operating expenditure</i>	487	644	75	169	725	732	749
<i>Venues and facilities</i>	296	547	451	1 097	1 700	1 717	1 756
Transfers and subsidies	8	-	-	-	-	-	-
Provinces and municipalities	8	-	-	-	-	-	-
Payments for capital assets	2 565	3 676	3 999	2 800	2 700	2 727	2 790
Machinery and equipment	2 437	3 674	3 999	2 800	1 000	1 010	1 034
Software and other intangible assets	128	2	-	-	1 700	1 717	1 756
Total	35 628	39 303	40 851	40 559	50 076	51 383	53 081
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	8	-	-	-	-	-	-
Regional Services Council levies	8	-	-	-	-	-	-

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	Medium-term expenditure estimate			
	2006/07	2007/08	2008/09	appropriation	2009/10	2010/11	2011/12	2012/13
R thousand								
Management: Municipal and Provincial Government	1 414	2 619	7 139	6 735	9 504	9 775	10 113	
Provincial and Local Government Support	71 051	61 100	56 605	59 196	15 981	16 437	17 004	
Infrastructure and Intervention Development	7 548	5 812	4 459	4 379	38 158	31 148	32 222	
Intergovernmental Relations coordination and Fiscal relation	20 529	23 648	24 685	24 793	30 283	39 248	40 601	
Governance and Public Participation	11 189	21 151	21 257	16 784	7 080	7 282	7 533	
Community Work Programme	-	-	-	159 000	490 325	663 550	871 073	
Equitable Share Transfer	18 057 940	20 675 620	25 559 685	24 355 502	30 167 706	33 939 901	37 234 396	
Municipal Systems Improvement Grant Transfer	200 000	200 000	200 000	200 000	212 000	224 720	235 956	
Municipal Infrastructure Grant Transfer	5 938 409	8 754 140	9 091 064	11 433 494	12 528 884	15 068 551	18 321 979	
South African Local Government Association Fiscal Transfer	19 494	20 461	22 058	23 302	24 625	26 102	27 407	
Municipal Demarcation Board Fiscal Transfer	16 827	20 664	25 419	34 557	37 187	39 419	41 390	
South African Cities Network Fiscal Transfer	1 590	4 400	4 700	4 815	5 104	5 410	5 681	
United Cities and Local Government of Africa Transfer	-	-	3 625	3 500	4 000	5 000	5 235	
Total	24 345 991	29 789 615	35 020 696	36 326 057	43 570 837	50 076 543	56 850 590	
Change to 2009 Budget estimate				999 186	1 338 135	2 654 333	7 057 287	

Table 3.6 Governance and Intergovernmental Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	101 884	113 180	112 638	179 414	299 721	373 082	461 185
Compensation of employees	44 235	51 777	61 061	60 304	69 518	73 431	77 214
Goods and services	57 649	61 403	51 577	119 110	230 203	299 651	383 971
<i>of which:</i>							
<i>Administrative fees</i>	24	50	5	1	3	2	–
<i>Advertising</i>	6 791	8 250	4 670	4 164	1 390	1 511	1 647
<i>Assets less than the capitalisation threshold</i>	259	204	263	383	870	931	1 005
<i>Catering: Departmental activities</i>	688	3 417	3 037	2 136	2 482	2 571	2 698
<i>Communication</i>	595	778	741	1 408	1 652	1 718	1 807
<i>Computer services</i>	198	310	782	130	100	101	103
<i>Consultants and professional services: Business and advisory services</i>	26 875	25 328	20 525	29 249	15 081	14 864	15 047
<i>Consultants and professional services: Infrastructure and planning</i>	–	–	–	–	24 500	33 200	43 600
<i>Consultants and professional services: Legal costs</i>	–	–	–	373	–	–	–
<i>Contractors</i>	3 115	2 011	2 252	125	1 064	1 069	1 092
<i>Agency and support / outsourced services</i>	34	37	1 616	2 271	40	40	41
<i>Entertainment</i>	27	3	–	125	67	68	69
<i>Fleet services (including government motor transport)</i>	–	–	–	–	430	473	520
<i>Inventory: Food and food supplies</i>	–	–	–	26	8	8	8
<i>Inventory: Materials and supplies</i>	–	–	21	58 503	151 242	209 018	274 388
<i>Inventory: Other consumables</i>	–	–	15	22	221	241	264
<i>Inventory: Stationery and printing</i>	1 347	955	1 622	2 335	5 975	6 887	11 139
<i>Lease payments</i>	546	406	686	400	1 692	1 814	1 957
<i>Travel and subsistence</i>	12 414	12 377	10 948	11 278	20 311	21 988	25 319
<i>Training and development</i>	316	123	761	1 134	740	744	760
<i>Operating expenditure</i>	475	1 484	338	1 011	271	272	278
<i>Venues and facilities</i>	3 945	5 670	3 295	4 036	2 064	2 131	2 229
Transfers and subsidies	24 242 454	29 675 496	34 907 346	36 146 316	43 266 835	49 697 780	56 382 122
Provinces and municipalities	24 196 384	29 629 760	34 850 749	35 988 996	42 908 590	49 233 172	55 792 331
Departmental agencies and accounts	36 321	41 125	47 477	57 859	61 812	65 521	68 797
Foreign governments and international organisations	2 983	139	146	146	489	500	500
Non-profit institutions	6 739	4 472	8 325	8 315	9 104	10 410	10 916
Households	27	–	649	91 000	286 840	388 177	509 578
Payments for capital assets	1 653	939	712	327	4 281	5 681	7 283
Machinery and equipment	1 026	811	712	327	4 281	5 681	7 283
Software and other intangible assets	627	128	–	–	–	–	–
Total	24 345 991	29 789 615	35 020 696	36 326 057	43 570 837	50 076 543	56 850 590

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	18 257 975	20 875 620	25 759 685	24 555 502	30 379 706	34 164 621	37 470 352
Regional Services Council levies	35	–	–	–	–	–	–
Local government equitable share	18 057 940	20 675 620	25 559 685	24 355 502	30 167 706	33 939 901	37 234 396
Municipal systems improvement grant	200 000	200 000	200 000	200 000	212 000	224 720	235 956

Table 3.6 Governance and Intergovernmental Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Capital	5 938 409	8 754 140	9 091 064	11 433 494	12 528 884	15 068 551	18 321 979
Municipal infrastructure grant	5 938 409	8 754 140	9 091 064	11 433 494	12 528 884	15 068 551	18 321 979
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	36 321	41 125	47 477	57 859	61 812	65 521	68 797
South African Local Government Association	19 494	20 461	22 058	23 302	24 625	26 102	27 407
Municipal Demarcation Board	16 827	20 664	25 419	34 557	37 187	39 419	41 390
Foreign governments and international organisations							
Current	2 983	139	146	146	489	500	500
Commonwealth to Local Government Forum	2 983	139	146	146	489	500	500
Non-profit institutions							
Current	6 739	4 472	8 325	8 315	9 104	10 410	10 916
South African Cities Network	1 590	4 400	4 700	4 815	5 104	5 410	5 681
United Cities and Local Government of Africa	5 149	–	3 625	3 500	4 000	5 000	5 235
SAMDI	–	72	–	–	–	–	–
Households							
Social benefits							
Current	27	–	649	91 000	286 840	388 177	509 578
Community Work programme	–	–	649	91 000	286 840	388 177	509 578
Leave gratuity	27	–	–	–	–	–	–

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.

Public entities and other agencies

South African Local Government Association

The South African Local Government Association was founded in December 1996 and is mandated by the Constitution to assist in the comprehensive transformation of local government. The Organised Local Government Act (1998) recognises the association as representative of organised local government, and allows organised local government to designate up to 10 part-time representatives to the National Council of Provinces in Parliament and to nominate two representatives to the Financial and Fiscal Commission, which advises government on budget issues. The association participates in intergovernmental structures at a provincial and

district level, and is therefore able to influence national and provincial legislation and gauge its impact on local government.

Over the MTEF period, the South African Local Government Association will focus on: mainstreaming hands-on support for municipal transformation and organisational development; basic service delivery; local economic development; financial viability and management; good governance and public participation; addressing its own structural and governance arrangements in order to better strengthen, support and monitor local government; and refining and strengthening the policy, regulatory and fiscal environment for local government, including enforcement measures

Savings and cost effective service delivery

The South African Local Government Association has identified efficiency savings of R500 000 over the MTEF period, driven by decreases in expenditure on travelling, venues and facilities, and catering. Savings are lower than anticipated due to costs associated with the 2011 local government elections. The association will continue to minimise travel cost by shifting to economy class and lower grade car hire. Catering and venue hire costs will also be contained.

Selected Performance and operations indicators

Table 3.7 South African Local Government Association

Indicator	Past			Current 2009/10	Projections		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Percentage of 237 municipalities (excluding districts) with guidelines on ward committees	–	15% (43)	46% (109)	71% (169)	88% (209)	100% (237)	–*
Percentage of all municipalities (238) with a delegations framework	–	15% (43)	44% (123)	69% (195)	85% (239)	100% (283)	–*
Total number of provinces in which HIV and AIDS handbook has been rolled out	0	0	0	3	7	9	–*
Total number of learning networks, established, revitalised or supported	0	0	0	2	5	0	10

*Will be completed by 2012/13

Service delivery and spending focus

The South African Local Government Association is expected to finalise its position on the integrated development planning framework to be implemented by all municipalities by March 2011. The position paper will inform lobbying for the amendment of the framework's concept in order to accommodate a differentiated approach across municipalities. Discussions on mainstreaming gender in local government will be included at the provincial and local government summit in August 2010. 10 municipalities will be assisted and supported to develop and implement the performance management system by March 2011.

Given progress in restructuring the association's administration in 2008/09, in 2009/10 there was significant emphasis on developing the new national directorates in strategy, policy and research, economic development and development planning, municipal infrastructure and services, community development, and governance and intergovernmental relations.

In 2009, the association promoted the interests of municipalities in the development of the local government turnaround strategy and by submitting a comprehensive and well researched position on budget forum. It developed a refined local government position on the electricity distribution industry restructuring, including making a submission to the National Energy Regulator of South Africa on the Eskom tariff increase proposal. It convened the local government indaba on climate change, and completed a local government submission on the climate change policy framework. Wage negotiations with organised labour were concluded. The association facilitated the training of councillors and officials countrywide and successfully lobbied the Department of Public Works to change the criteria for access to extended public works funding to include rural municipalities.

Expenditure estimates

Table 3.8 South African Local Government Association: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Community development	-	-	2 491	3 842	5 133	5 547	5 996
Economic development and development planning	-	-	3 912	6 033	6 849	7 406	8 010
Governance and IGR	-	-	3 943	6 080	8 283	8 961	9 697
Municipal institutional development	-	-	9 427	14 537	16 498	17 790	19 185
Municipal infrastructure and services	-	-	3 672	5 663	7 595	8 215	8 887
Other programmes	59 871	63 196	36 588	59 061	67 403	68 984	72 816
Total expense	134 870	142 363	151 013	235 514	252 172	268 604	288 523

Table 3.9 South African Local Government Association: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Statement of financial performance							
Revenue							
Non-tax revenue	135 111	112 593	119 987	207 931	226 013	240 651	259 007
Sale of goods and services other than capital assets	102 725	100 402	110 166	164 767	177 640	191 681	208 784
<i>of which:</i>							
<i>Membership levies</i>	102 725	100 402	110 166	164 767	177 640	191 681	208 784
<i>Other non-tax revenue</i>	32 386	12 191	9 821	43 164	48 373	48 970	50 223
Transfers received	26 314	14 141	22 558	29 423	30 758	32 235	33 220
Total revenue	161 425	126 734	142 545	237 354	256 771	272 886	292 227
Expenses							
Current expense	134 870	142 363	151 013	235 514	252 172	268 604	288 523
Compensation of employees	69 148	51 338	67 153	98 642	134 301	145 717	158 104
Goods and services	59 635	85 702	77 005	128 925	110 591	116 205	124 550
Depreciation	2 781	3 631	4 407	6 118	5 310	4 623	3 717
Interest, dividends and rent on land	3 307	1 692	2 448	1 829	1 970	2 059	2 152
Total expenses	134 870	142 363	151 013	235 514	252 172	268 604	288 523
Surplus / (Deficit)	26 555	(15 629)	(8 468)	1 840	4 599	4 282	3 704
Statement of financial position							
Carrying value of assets	26 861	27 978	26 949	24 826	22 939	19 327	16 471
<i>of which: Acquisition of assets</i>	6 224	4 850	5 342	3 584	2 799	600	450
Receivables and prepayments	55 462	27 669	33 353	29 704	25 472	28 966	31 384
Cash and cash equivalents	4 873	6 092	1 564	21 568	1 506	1 426	5 318
Total assets	87 196	61 739	61 866	76 098	49 917	49 719	53 173
Accumulated surplus/deficit	26 165	11 454	4 071	10 694	23 296	24 294	28 482
Capital and reserves	7 752	6 553	4 555	3 190	1 701	1 500	80
Borrowings	8 245	10 629	9 664	-	-	-	-
Trade and other payables	42 816	30 980	35 155	57 333	24 099	23 925	24 611
Liabilities not classified elsewhere	2 217	2 124	8 420	4 881	821	-	-
Total equity and liabilities	87 196	61 739	61 865	76 098	49 917	49 719	53 173

Expenditure trends

Membership levies from 283 municipalities are the main source of income for the association, and comprise 69.2 per cent (R177.6 million) of total revenue in 2010/11. In addition, the association derives revenue from a government grant, capacity building activities and sponsorships.

Revenue increased from R161.4 million in 2006/07 to R237.4 million at an average annual rate of 13.7 per cent, and is expected to increase to R292.2 million over the MTEF period at an average annual rate of 7.2 per cent. The sharp increase of 66.5 per cent in 2009/10 is due to the increase in membership levies. Growth in

membership levies stabilises over the medium term, increasing from R164.8 million in 2009/10 to R208.8 million in 2010/11 at an average annual rate of 8.2 per cent, as only minimal salary increases are expected. The government grant is expected to account for 11.9 per cent of total income and maintain growth at an average annual rate of 4.1 per cent over the MTEF period.

Expenditure increased from R134.9 million in 2006/07 to R235.5 million in 2009/10, at an average annual rate of 20.4 per cent. In 2008/09, expenditure grew by 6.1 per cent primarily due to research costs associated with a review of the membership levy formula as well as increases in personnel spending. This review increased the association's capacity to generate income to fund support programmes to member municipalities and increased expenditure on the recruitment of staff.

Expenditure in compensation of employee increased by 46.9 per cent in 2009/10 due to planned increases in the number of staff. Between 2006/07 and 2009/10 spending on goods and services is expected to increase by 29.3 per cent, due to costs associated with additional staff and additional increased travel research costs.

Total expenditure is expected to increase at an average annual rate of 7 per cent, from R235.5 million in 2009/10 to R288.5 million in 2012/13. This is due to inflation related adjustments and the escalation rate of rental agreements. Expenditure on goods and services is expected to decline by 14.2 per cent in 2010/11 due to cost reduction initiatives.

The operating deficits in 2007/08 and 2008/09 were caused by the provision for impairment of trade receivables of R14.4 million and R14 million, funded from surpluses in prior periods. The projected surplus of R4.6 million in 2010/11 is earmarked for capital additions to property, plant and equipment, subject to Treasury approval.

Municipal Demarcation Board

Strategic overview: 2010/11 – 2012/13

In terms of section 155(3)(b) of the Constitution, the Municipal Demarcation Board is an independent authority responsible for determining municipal boundaries. The board's independence is also protected by section 3 of the Local Government Municipal Demarcation Act (1998) and various judgements by the Constitutional Court. In addition to determining and redetermining municipal boundaries, the board is also mandated to declare district management areas, delimit wards for local elections, and assess the capacity of municipalities to perform their functions.

In light of the local government elections in 2011, over the medium term the Municipal Demarcation Board will focus on: determining municipal boundaries and categorising municipalities; delimiting wards in preparation for the elections; assessing the capacity of district and local municipalities to contribute to decisions on the adjustment of powers and functions between local and district municipalities moreover, the board will continue to improve its organisational capacity and ensure good governance and sound financial management.

Savings and cost effective service delivery

The Municipal Demarcation Board has identified efficiency savings of R700 000, driven by reductions in expenditure on travel, venues and facilities, and catering. The board will develop mechanisms and frameworks to contain costs.

Selected performance indicators

Table 3.10 Municipal Demarcation Board

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of new capacity assessments completed per year: - district municipalities* - local municipalities*	Capacity assessments	47	47	46	46	46	46	46
		231	231	231	231	231	231	231
Percentage of total requests for changes to boundaries finalised or actioned	Boundary demarcation	100%	100%	100%	*	*	100%	100%

*Ward delimitation process in preparation for 2011 local government elections

Service delivery focus

In 2008/09, the board began the process of ward delimitation to prepare municipal ward boundaries for the 2011 local government election. Thus far, the board has engaged with a range of stakeholders countrywide to either brief them about the ward delimitation process or assist them in reaching consensus on the wards for the elections. The process is on track and final delimitation of municipal wards will be handed over to the Electoral Commission by the end of August 2010.

In 2008/09, the background research and legal process were completed to designate 3 secondary cities (Mangaung in Free State, Msunduzi in KwaZulu-Natal and Buffalo City in Eastern Cape) as metropolitan municipalities. The Metsweding district municipality was incorporated into the Tshwane and Ekurhuleni metropolitan municipalities. In 2008/09, the board streamlined local government structures by withdrawing all declarations of district management areas, which allows for wall-to-wall local municipalities covering the entire country.

In 2010/11, the board will continue to assess local and district municipalities' capacity to inform the adjustment of powers and functions between local and district municipalities. The board is expected to release 46 district reports by December 2010.

Expenditure estimates

Table 3.11 The Municipal Demarcation Board: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Assessment of capacity of district and local municipalities	3 612	4 020	4 308	4 610	4 901	5 180	5 569
Determination and redetermination of municipal boundaries	-	-	1 140	100	200	10 134	10 517
Delimitation of wards	-	-	-	6 564	10 530	-	-
Human resources management	6 994	6 800	8 224	8 616	9 341	9 996	11 130
Other programmes	9 972	5 043	10 947	15 731	13 844	14 474	14 491
Total expense	20 578	15 863	24 619	35 621	38 816	39 784	41 707

Table 3.12 The Municipal Demarcation Board: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	230	395	532	460	345	365	317
Other non-tax revenue	230	395	532	460	345	365	317
Transfers received	19 477	20 664	25 420	34 557	37 187	39 419	41 390
Total revenue	19 707	21 059	25 952	35 017	37 532	39 784	41 707

Table 3.12 The Municipal Demarcation Board: Financial information (continued)

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Expenses							
Current expense	17 928	15 863	24 619	35 621	38 816	39 784	41 707
Compensation of employees	6 994	6 800	8 224	8 615	9 340	9 996	11 130
Goods and services	10 206	8 299	15 674	26 213	28 652	29 403	29 917
Depreciation	642	625	540	793	824	385	660
Interest, dividends and rent on land	86	139	181	-	-	-	-
Transfers and subsidies	2 650	-	-	-	-	-	-
Total expenses	20 578	15 863	24 619	35 621	38 816	39 784	41 707
Surplus / (Deficit)	(871)	5 196	1 333	(604)	(1 284)	-	-
Statement of financial position							
Carrying value of assets	1 682	1 225	1 008	2 629	2 225	1 950	1 540
<i>of which: Acquisition of assets</i>	471	186	385	2 414	420	110	250
Inventory	80	75	110	110	110	110	110
Receivables and prepayments	109	66	443	450	450	450	450
Cash and cash equivalents	4 463	7 185	8 996	6 483	5 363	5 388	5 624
Assets not classified elsewhere	-	-	62	-	-	-	-
Total assets	6 334	8 551	10 619	9 672	8 148	7 898	7 724
Accumulated surplus/deficit	862	6 058	7 391	6 787	5 503	5 503	5 503
Borrowings	-	100	-	-	-	-	-
Trade and other payables	3 506	1 933	2 615	2 335	2 085	1 825	1 621
Provisions	534	460	463	550	560	570	600
Liabilities not classified elsewhere	1 432	-	150	-	-	-	-
Total equity and liabilities	6 334	8 551	10 619	9 672	8 148	7 898	7 724

Expenditure trends

Transfers received from the department account for 98.7 per cent of total revenue for 2009/10.

Expenditure increased from R20.6 million in 2006/07 to R35.6 million in 2009/10 at an average annual rate of 20.1 per cent, due to the additional expenditure for redemarcating all cross boundary municipalities, establishing an electronic system of ward profiles, and recruiting additional staff. Over the MTEF period, expenditure is expected to increase to R41.7 million, at an average annual rate of 5.4 per cent. In 2010/11, a significant proportion of expenditure will be on the ward delimitation process, which ends in that year.

In 2009/10 and 2010/11, deficits of R604 000 and R1.2 million are expected. This is mainly attributable to the ward delimitation process, which requires many consultations with relevant stakeholders, travelling, and publication in provincial gazettes as required by the legislation. In the event that the funding is not increased, the shortfalls will be funded by the accumulated surplus.

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 3.13 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 thousand							
Management: Head of Disaster	–	–	–	–	3 327	3 422	3 540
Legislation, Policy and Compliance management	14 412	7 172	16 375	16 014	5 873	6 041	6 249
Implementation Coordination and Support	23 169	17 764	9 568	71 044	13 530	13 916	14 394
Intelligence Systems and Support	–	1 208	9 085	11 682	18 833	19 371	20 039
Disaster Relief	–	–	47 047	–	–	–	–
Total	37 581	26 144	82 075	98 740	41 563	42 750	44 222
Change to 2009 Budget estimate				60 945	–	(1 087)	(1 809)

Table 3.13 National Disaster Management Centre (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	30 097	24 894	33 159	92 402	38 690	39 837	41 236
Compensation of employees	3 202	4 446	5 633	4 909	18 074	19 068	20 022
Goods and services	26 895	20 448	27 526	87 493	20 616	20 769	21 214
<i>of which:</i>							
<i>Administrative fees</i>	16	-	1	2	-	-	-
<i>Advertising</i>	337	350	206	1 548	200	203	209
<i>Assets less than the capitalisation threshold</i>	9	44	716	300	80	81	83
<i>Catering: Departmental activities</i>	52	223	150	68	315	319	325
<i>Communication</i>	193	44	637	199	227	230	236
<i>Computer services</i>	2 097	171	6 856	23 260	1 300	1 318	1 351
<i>Consultants and professional services: Business and advisory services</i>	9 484	11 321	9 223	25 871	7 365	7 335	7 444
<i>Contractors</i>	518	145	1 180	4 094	-	-	-
<i>Agency and support / outsourced services</i>	43	32	2	3 000	-	-	-
<i>Entertainment</i>	9	-	1	35	8	8	8
<i>Inventory: Learner and teacher support material</i>	-	-	1	15	-	-	-
<i>Inventory: Materials and supplies</i>	-	-	-	2	-	-	-
<i>Inventory: Medical supplies</i>	-	-	1	-	-	-	-
<i>Inventory: Other consumables</i>	-	-	-	26	4	4	4
<i>Inventory: Stationery and printing</i>	23	114	1 595	3 224	764	775	794
<i>Lease payments</i>	13 227	6 012	3 887	7 530	6 820	6 915	7 088
<i>Property payments</i>	-	-	47	-	-	-	-
<i>Travel and subsistence</i>	631	1 257	1 056	6 223	2 946	2 987	3 062
<i>Training and development</i>	23	120	166	4 225	280	283	291
<i>Operating expenditure</i>	208	542	844	1 422	12	12	12
<i>Venues and facilities</i>	25	73	957	6 450	295	299	307
Transfers and subsidies	14	11	47 047	20	-	-	-
Provinces and municipalities	3	-	47 047	-	-	-	-
Households	11	11	-	20	-	-	-
Payments for capital assets	7 470	1 239	1 869	6 318	2 873	2 913	2 986
Machinery and equipment	268	537	1 869	6 318	1 873	1 899	1 947
Software and other intangible assets	7 202	702	-	-	1 000	1 014	1 039
Total	37 581	26 144	82 075	98 740	41 563	42 750	44 222
Details of transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	-	-	29 730	-	-	-	-
Internally displaced people management grant	-	-	29 730	-	-	-	-
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	3	-	17 317	-	-	-	-
Internally displaced people management grant	-	-	17 317	-	-	-	-
Regional Services Council levies	3	-	-	-	-	-	-
Households							
Social benefits							
Current	11	11	-	20	-	-	-
Employer social benefit	11	11	-	20	-	-	-

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 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 3.14 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 thousand							
Management: Head of Traditional Affairs	-	-	-	-	4 552	5 841	6 138
Policy and Legislation for Traditional Affairs	5 977	6 552	9 875	14 007	7 869	10 097	10 610
Institutional, Support and Coordination	-	-	-	-	7 682	9 857	10 358
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	13 403	15 447	19 996	20 250	21 401	22 685	23 819
Commission on Traditional Leadership Disputes and Claims	9 986	10 573	11 496	9 890	10 483	11 112	11 668
National House of Traditional Leaders	9 535	13 169	14 926	9 169	18 876	21 201	22 699
Total	38 901	45 741	56 293	53 316	70 863	80 793	85 292
Change to 2009 Budget estimate				(3 180)	182	68	531

Economic classification

	25 414	29 845	35 563	29 426	49 072	57 600	60 931
Current payments							
Compensation of employees	8 006	10 133	10 855	12 860	31 233	32 870	34 422
Goods and services	17 408	19 712	24 708	16 566	17 839	24 730	26 509
<i>of which:</i>							
<i>Administrative fees</i>	1	20	1	2	7	9	10
<i>Advertising</i>	137	161	460	873	868	1 130	1 206
<i>Assets less than the capitalisation threshold</i>	868	51	9	63	85	111	118
<i>Catering: Departmental activities</i>	727	776	1 058	894	1 445	1 881	2 007
<i>Communication</i>	477	681	732	706	812	1 058	1 129
<i>Computer services</i>	-	-	-	110	680	885	944
<i>Consultants and professional services: Business and advisory services</i>	5 416	6 392	6 756	4 389	3 169	5 630	6 130
<i>Consultants and professional services: Legal costs</i>	870	216	259	610	1 020	1 328	1 417
<i>Contractors</i>	185	164	57	331	825	1 076	1 146
<i>Agency and support / outsourced services</i>	143	52	263	-	120	156	167
<i>Entertainment</i>	-	-	-	13	53	68	73
<i>Inventory: Food and food supplies</i>	-	-	-	4	-	-	-
<i>Inventory: Learner and teacher support material</i>	-	-	10	-	-	-	-
<i>Inventory: Medical supplies</i>	-	-	8	-	-	-	-
<i>Inventory: Other consumables</i>	-	-	7	7	-	-	-
<i>Inventory: Stationery and printing</i>	60	131	196	425	925	1 204	1 285
<i>Lease payments</i>	113	284	87	265	190	247	264
<i>Travel and subsistence</i>	8 147	10 352	13 840	6 741	6 104	7 947	8 479
<i>Training and development</i>	79	26	28	142	162	211	225
<i>Operating expenditure</i>	-	-	100	331	759	988	1 055
<i>Venues and facilities</i>	185	406	837	660	615	801	854

Table 3.14 Traditional Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Transfers and subsidies	13 417	15 447	20 194	22 090	21 401	22 685	23 819
Provinces and municipalities	9	-	-	-	-	-	-
Departmental agencies and accounts	13 403	15 447	19 996	20 250	21 401	22 685	23 819
Households	5	-	198	1 840	-	-	-
Payments for capital assets	70	449	536	1 800	390	508	542
Machinery and equipment	70	449	536	1 800	390	508	542
Total	38 901	45 741	56 293	53 316	70 863	80 793	85 292

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	9	-	-	-	-	-	-
Regional Services Council levies	9	-	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	13 403	15 447	19 996	20 250	21 401	22 685	23 819
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	13 403	15 447	19 996	20 250	21 401	22 685	23 819
Households							
Social benefits							
Current	5	-	198	-	-	-	-
Households	5	-	198	-	-	-	-
Households							
Other transfers to households							
Current	-	-	-	1 840	-	-	-
Households	-	-	-	1 840	-	-	-

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.

Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Strategic overview: 2006/07 – 2012/13

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities promotes and protects cultural, religious and linguistic rights. It is mandated by the Cultural, Religious and Linguistic Communities Act (2002) and the Constitution. The commission focuses on: recovering diminished heritages through research, disseminating its findings, education, and advocacy. The commission also facilitates the resolution of conflicts between individuals, groups and communities. In the process, it engages communities in dialogue over critical areas of their cultural, religious and linguistic rights.

The commission's medium term focus is to improve their conflict resolution and complaints handling turnaround times, disseminate research in a structured manner, and host the national consultative conference every 3 years in terms of their legislative mandate.

Savings and cost effective service delivery

The commission has identified efficiency savings of R1 million over the MTEF period, driven by decreases in expenditure on travel, venues and facilities, and catering. The commission will develop mechanisms and frameworks to contain costs.

Selected performance indicators

Table 3.15 Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of engagements with communities per year (mediations, dialogues, seminars, information sessions and meetings)	4	20	63	78	89	91	96
Number of conflict cases resolved per year	8	5	6	7	8	12	15

Service delivery focus

In 2009/10, the commission investigated and resolved 7 complaints lodged by members of the public. The commission published 5 research papers in 2008/09 on matters related to protecting cultural, religious and linguistic rights. A database of 13 institutions was developed in 2008/09 to engage institutions with similar research interests.

In 2010/11, the commission will focus on hosting the third national consultative conference, investigating queries, research on approved topics, and disseminating information to communities.

Expenditure Estimates

Table 3.16 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities:

Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Finance and Corporate Services	12 122	11 748	11 654	3 922	8 900	9 507	10 201
Investigation and conflict resolution	961	45	805	1 443	1 516	1 586	1 665
Research and policy development	1 068	1 031	940	2 446	2 567	2 687	2 822
Public education and advocacy	–	1 214	1 216	1 468	1 541	1 611	1 690
Other programmes	–	1 886	7 629	13 134	9 241	9 529	9 636
Total expense	14 151	15 924	22 244	22 413	23 765	24 920	26 014

Table 3.17 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities:

Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	217	334	336	250	200	100	50
<i>Other non-tax revenue</i>	217	334	336	250	200	100	50
Transfers received	13 403	15 447	19 996	20 250	21 401	22 685	23 819
Total revenue	13 620	15 781	20 332	20 500	21 601	22 785	23 869

Table 3.17 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities: Financial information (continued)

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Expenses							
Current expense	14 151	15 924	22 244	22 413	23 765	24 920	26 014
Compensation of employees	6 287	7 782	11 134	16 091	16 913	17 712	18 414
Goods and services	7 484	7 682	10 569	6 322	6 852	7 208	7 600
Depreciation	311	366	414	–	–	–	–
Interest, dividends and rent on land	69	94	127	–	–	–	–
Total expenses	14 151	15 924	22 244	22 413	23 765	24 920	26 014
Surplus / (Deficit)	(531)	(143)	(1 912)	(1 913)	(2 164)	(2 135)	(2 145)
Statement of financial position							
Carrying value of assets	1 002	1 154	1 297	883	480	189	72
<i>of which: Acquisition of assets</i>	92	534	556	117	–	–	–
Receivables and prepayments	–	364	485	–	–	–	–
Cash and cash equivalents	3 073	3 540	1 282	–	–	–	–
Total assets	4 075	5 058	3 064	883	480	189	72
Accumulated surplus/deficit	3 751	3 719	1 654	–	–	–	–
Trade and other payables	251	1 044	611	–	–	–	–
Provisions	73	295	799	883	480	189	72
Total equity and liabilities	4 075	5 058	3 064	883	480	189	72

Expenditure trends

The commission's main source of income is government transfers. The transfer of R21.4 million in 2010/11 accounts for 99 per cent of total revenue. Transfers are expected to rise from R20.3 million in 2009/10 to R23.8 million in 2011/12 at an average annual rate of 5.6 per cent, due to the automatic adjustment for inflation.

Expenditure increased from R14.2 million in 2006/07 to R22.4 million in 2009/10 at an average annual rate of 16.6 per cent, and is expected to increase to R26 million over the MTEF period at an average annual rate of 5.1 per cent. Expenditure in compensation of employees is expected to increase from R16.1 million in 2009/10 to R18.4 million in 2012/13 at an average annual rate of 4.8 per cent for filling the high number of vacant posts. The current level of filled positions is 30 per cent.

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 thousand	2008/09		2008/09	2009/10			2009/10
1. Administration	150 219	150 690	143 271	143 389	21 460	164 849	162 385
2. Policy, Research and Knowledge Management Support	44 449	43 672	40 851	42 488	(1 929)	40 559	38 759
3. Governance and Intergovernmental Relations	33 828 025	35 223 631	35 020 696	35 324 259	1 001 798	36 326 057	36 320 387
4. National Disaster Management Centre	108 399	153 354	82 075	37 795	60 945	98 740	58 740
5. Traditional Affairs	62 788	67 660	56 293	56 496	(3 180)	53 316	49 316
Total	34 193 880	35 639 007	35 343 186	35 604 427	1 079 094	36 683 521	36 629 587

Economic classification							
Current payments	370 348	371 546	358 117	379 864	119 161	499 025	445 091
Compensation of employees	166 390	154 347	153 753	194 133	(21 808)	172 325	164 761
Goods and services	203 958	217 199	204 294	185 731	140 969	326 700	280 330
Interest and rent on land	–	–	70	–	–	–	–
Transfers and subsidies	33 816 748	35 259 364	34 975 523	35 216 362	954 809	36 171 171	36 171 171
Provinces and municipalities	33 745 975	35 185 951	34 897 805	35 131 462	857 634	35 989 096	35 989 096
Departmental agencies and accounts	65 973	67 473	67 473	78 109	–	78 109	78 109
Foreign governments and international organisations	–	–	146	116	30	146	146
Public corporations and private enterprises	100	100	–	–	–	–	–
Non-profit institutions	4 700	4 700	8 325	4 815	3 500	8 315	8 315
Households	–	1 140	1 774	1 860	93 645	95 505	95 505
Payments for capital assets	6 784	8 067	9 194	8 201	5 119	13 320	13 320
Machinery and equipment	6 784	8 067	9 194	8 201	5 119	13 320	13 320
Payments for financial assets	–	30	352	–	5	5	5
Total	34 193 880	35 639 007	35 343 186	35 604 427	1 079 094	36 683 521	36 629 587

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
Permanent and full time contract employees							
Compensation (R thousand)	116 166	128 146	153 753	174 109	241 929	255 265	268 050
Unit cost (R thousand)	280	252	293	300	368	353	325
<i>Administration</i>	212	246	324	457	352	356	335
<i>Policy, Research and Knowledge Management Support</i>	249	206	302	395	330	336	314
<i>Governance and Intergovernmental Relations</i>	191	221	247	394	391	338	309
<i>National Disaster Management Centre</i>	169	222	256	289	361	347	318
<i>Traditional Affairs</i>	186	241	265	286	411	396	341
Personnel numbers (head count)	415	509	524	581	657	723	825
Total for department							
Compensation (R thousand)	116 166	128 146	153 753	174 109	241 929	255 265	268 050
Unit cost (R thousand)	280	240	278	284	350	336	325
Personnel numbers (head count)	415	535	554	613	691	759	825

Table 3.C Detail of approved establishment and personnel numbers according to salary level¹

	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 ²	Medium-term estimate		
				2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Department	582	582	149	568	559	549	428	657	723	825
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
Administration	186	186	52	204	192	178	162	297	310	346
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
Policy, Research and Knowledge Management Support	62	62	16	70	71	61	51	56	58	65
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
Governance and Intergovernmental Relations	267	267	71	232	234	247	153	178	217	250
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
National Disaster Management Centre	22	22	-	19	20	22	17	50	55	63
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
Traditional Affairs	45	45	10	43	42	41	45	76	83	101
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 thousand)	116 166	141 346	166 390	174 109	241 929	255 265	268 050
Training expenditure (R thousand)	1 665	2 292	1 663	1 769	2 419	2 552	2 680
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>							
<i>Internships trained (head count)</i>	-	26	-	-			

Table 3.E Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Conditional grants to provinces							
4. National Disaster Management Centre							
Disaster relief grant	-	-	29 730	-	-	-	-
Total	-	-	29 730	-	-	-	-
Conditional grants to municipalities							
3. Governance and Intergovernmental Relations							
Municipal systems improvement grant	200 000	200 000	200 000	200 000	212 000	224 720	235 956
Municipal infrastructure grant	5 938 409	8 754 140	9 091 064	11 433 494	12 528 884	15 068 551	18 321 979
4. National Disaster Management Centre							
Disaster relief grant	-	-	17 317	-	-	-	-
Total	6 138 409	8 954 140	9 308 381	11 633 494	12 740 884	15 293 271	18 557 935

1. Detail provided in the Division of Revenue Act (2010)

Table 3.F Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
Foreign In cash												
European Union	Masibambane	Governance and Intergovernmental Relations	8 372	Goods and services	Supporting municipal urban renewal programme	14 335	6 034	3 425	8 372	-	-	-
Danish International Development Agency	Anti corruption training	Governance and Intergovernmental Relations	6 032	Goods and services	Senior officials and political office bearers trained on ethics	-	-	1 492	3 848	2 184	-	-
European Union	Public participation and empowerment	Governance and Intergovernmental Relations	96 524	Goods and services	Expanding and strengthening community based participation in local government	-	-	808	32 090	48 134	16 300	-
Gesellschaft Technische Zusammenarbeit (GTZ)	Strengthening local government support programme	Policy, Research and Knowledge Management Support	104 563	Goods and services	Improving municipal service delivery, improving resilience and vibrancy of local economies, and strengthening local democracy	10 138	29 718	53 750	44 563	33 750	26 250	-
Danish International Development Agency	Project to consolidate knowledge management	Governance and Intergovernmental Relations	44 112	Goods and services	Knowledge management	561	1 119	837	-	-	-	-
In kind												
United States Agency for International Development	Local government support programme	Policy, Research and Knowledge Management Support	11 673	Goods and services	Support programme to local government	10 858	25 390	15 090	-	-	-	-
United States Agency for International Development	Local government support increasing sustainable local government	Governance and Intergovernmental Relations	2 517	Goods and services	Increasing sustainability local government	-	16 072	30 211	-	-	-	-
Italy	Decentralisation and local development policies in South Africa	Governance and Intergovernmental Relations	-	Goods and services	Support the process of administrative decentralisation of South Africa with a view to consolidate the role of local institutions towards democratisation and peace	-	-	-	32 112	12 000	-	-
Local In cash												
African Renaissance Fund	Democratic Republic of the Congo	Policy, Research and Knowledge Management Support	11 673	Goods and services	Number of national coordination structures and provinces strengthened	868	222	1 414	10 259	-	-	-
Total			285 466			36 760	78 555	107 027	131 244	96 068	42 550	-

Table 3.G 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	2009/10	2010/11	2011/12	2012/13
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
Municipal infrastructure grant	Water, sanitation, roads and electricity	Various	-	5 938 409	8 754 140	9 138 111	11 433 494	12 528 884	15 068 551	18 321 979
	Building in house capacity	Various	200 000	200 000	-	-	-	-	-	-
Total			200 000	6 138 409	8 754 140	9 138 111	11 433 494	12 528 884	15 068 551	18 321 979

