

VOTE 3

*Cooperative Governance
and Traditional Affairs*



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

Department:
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REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2012

National Treasury

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The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspending on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

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	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	201 402	196 522	100	4 780	212 791	225 483
Policy, Research and Knowledge Management	46 071	39 771	–	6 300	48 748	51 981
Governance and Intergovernmental Relations	37 981 926	30 777	37 951 129	20	40 694 559	43 757 950
Disaster Response Management	555 225	43 075	510 000	2 150	586 927	622 073
Provincial and Municipal Government Systems	284 726	54 630	230 096	–	297 815	314 693
Infrastructure and Economic Development	15 544 190	1 656 607	13 881 633	5 950	16 858 113	18 737 285
Traditional Affairs	102 050	67 473	34 227	350	105 106	112 419
Total expenditure estimates	54 715 590	2 088 855	52 607 185	19 550	58 804 059	63 821 884
Executive authority	Minister of Cooperative Governance and Traditional Affairs					
Accounting officer	Director General of Cooperative Governance / Director General of Traditional Affairs					
Website address	www.cogta.gov.za					

Aim

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: Provide management, leadership and administration of the department.

Programme 2: Policy, Research and Knowledge Management

Purpose: Provide specialised support services to the department in the areas of research and knowledge management, policy formulation, monitoring and evaluation, and information, communication 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. Provide oversight, intervention and support programmes to provinces, municipalities and associated institutions.

Programme 4: Disaster Response Management

Purpose: Promote an integrated and coordinated system of disaster risk 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 risk management and communities.

Programme 5: Provincial and Municipal Government Systems

Purpose: Provide oversight, support programmes and evidence based regulatory mechanisms for provincial, municipal government and associated institutions, and facilitate effective development and service delivery.

Programme 6: Infrastructure and Economic Development

Purpose: Support provincial and local government programmes and systems for the promotion of economic and infrastructure development.

Programme 7: Traditional Affairs

Purpose: Promote and coordinate research and information management and the development of policies and legislation on traditional affairs. Coordinate institutional development and capacity building programmes to enhance efficiency and effectiveness within the institution of traditional affairs.

Strategic overview: 2008/09 – 2014/15

Strategic objectives

The mandate of the Department of Cooperative Governance and Traditional Affairs is to develop national policies and legislation relating to provinces and local government. It monitors the implementation of legislation related to intergovernmental relations, local government administration and financial management, traditional leadership, governance and disaster management. In terms of the government's outcomes based performance monitoring system, the department is responsible for achieving a responsive, accountable, effective and efficient local government system (outcome 9).

Improving access to basic services

Extending access to basic services and eradicating backlogs remains a government priority. Between 2008/09 and 2011/12, R43.3 billion was spent through the municipal infrastructure grant on basic services infrastructure. Over this period, an additional 7.25 million people were given access to water services, while 5.87 million were given access to sanitation services.

New legislation

In April 2011, both Houses of Parliament finalised the Local Government: Municipal Systems Amendment Bill, which was assented to Parliament by the President in July 2011. The objective of the bill is to prohibit municipal managers and section 57 managers from holding any position as office bearers in any political party.

Enhancing financial management and oversight

Weak financial management remains a critical challenge for local government and impacts negatively on its ability to deliver services to communities. Improving financial management and oversight is therefore one of the department's key priorities and has implemented various initiatives to ensure that all municipalities receive unqualified audits by 2014. These include the establishment of internal audit units in municipalities. To date, internal audit units have been established in 263 municipalities and audit committees have been established in 268 municipalities. Provinces have established action plans to address the previous audit queries within municipalities and have monitored the implementation of these action plans. The number of municipalities that receive support on financial management issues increased from 160 in 2008/09 to 234 in 2010/11.

A draft framework on municipal public accounts committees was developed to provide guidance to municipalities on the establishment and work of these committees. Municipal public accounts committees aim to strengthen financial management by improving oversight over financial affairs. Workshops on the establishment of municipal public accounts committees were convened in all provinces and 103 of these committees had been established by December 2011.

Improving planning and coordination within local government

In December 2009, Cabinet approved the local government turnaround strategy. By December 2011, 90 per cent of municipalities had developed their own turnaround strategies, which have been incorporated into their integrated development plans. These turnaround strategies assess the root causes of poor financial management and service delivery within municipalities and identify appropriate measures to improve performance.

Creating work opportunities

In 2009/10, 89 689 job opportunities were created through the community work programme, which focuses on creating work opportunities within the social sector by creating access to a minimum level of regular and predictable work for historically disadvantaged communities. In 2010/11, the targeted number of job opportunities was 57 368. The department exceeded this target by creating 70 844 job opportunities.

Enhancing local governance

In partnership with the South African Local Government Association, the department prepared a councillor induction programme that is designed to orientate councillors with an understanding of their leadership role, legislation that guides local government, key municipal processes, developmental local government and overall service delivery in local government. The programme was designed to ensure that councillors are equipped to accelerate the implementation of their municipal turnaround strategy, which is based on the local government turnaround strategy to help assess the root causes of poor municipal performance and help in developing corrective actions to enhance performance.

Priorities over the medium term

The priorities for the department over the medium term include: accelerating universal access to affordable basic services, significantly reducing infrastructure backlogs, supporting provinces and local government to achieve clean audits, and supporting municipalities to reduce municipal debt by half.

Technical support to low capacity and weak municipalities

Building capacity within local government to construct, develop and maintain infrastructure is important for the delivery of basic services in a sustainable manner. Over the medium term, the department will promote spatial integration in development planning by carrying out a geographical information systems audit and building technical capacity to implement these systems within local government. The audit will be used to identify the institutional capacity and organisational arrangements required to implement geographical information systems within 21 priority districts and 70 smaller municipalities. The department will also establish the Municipal Infrastructure Support Agency in 2012/13, to provide technical support to municipalities. Over the medium term, the agency will provide support to the 21 priority districts. Moreover, the agency will provide technical assistance to a further 8 districts and local municipalities in their role as water services authorities.

Community work programme

The community work programme is expected to reach a targeted 250 000 participants by 2014/15. The rollout plan is based on these linked objectives: expand existing sites, intensify existing work activities to improve quality and effectiveness of work performed, and expand areas of innovation in the programme to increase its absorption capacity.

Traditional affairs

Over the medium term, the department will consolidate all national legislation pertaining to the institution of traditional leadership into a single bill. The department will also develop policies and regulations to govern harmful cultural practices such as illegal initiation schools, and the abduction of young school-going girls under the guise of ukuthwala, which is the practice of abducting a girl to be married against her will; and ukungena, the practice whereby a brother marries his deceased brother's wife and takes over the homestead.

Selected performance indicators

Table 3.1 Cooperative Governance and Traditional Affairs

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of critical master system planned interventions implemented per year	Policy, Research and Knowledge management	–	–	–	1	2	4	6
Total number of municipalities with established municipal public accounts committees	Governance and Intergovernmental Relations	–	–	–	28	278	278	278
Total number of municipalities supported to implement a revised national framework on funding for ward committees	Governance and Intergovernmental Relations	–	–	–	40	70	84	278
Total number of fully functional disaster management centres (of 62) across the three spheres of government	Disaster Response Management	9	12	30	40	50	62	62
Number of smaller municipalities (of 136) supported to implement revised integrated development planning framework per year	Provincial and Municipal Government Systems	–	–	–	–	70	136	136
Number of provinces assessed on institutional capacity per year	Provincial and Municipal Government Systems	–	–	–	–	5	4	9
Number of provinces supported in community development programmes per year	Provincial and Municipal Government Systems	–	–	–	9	9	9	9
Value of municipalities' spending on municipal infrastructure grant per year	Infrastructure and Economic Development	R9.4bn	R11.1bn	R11.3bn	R11.5bn	R13.9bn	R14.7bn	R15.8bn
Improve universal access to basic water services	Infrastructure and Economic Development	2.3 million	1.6 million	1.6 million	1.75 million	1.8 million	2 million	2.2 million
Improve universal access to basic sanitation services	Infrastructure and Economic Development	2.3 million	936 379	929 070	1.7 million	1 million	1.2 million	1.3 million
Number of additional households reached with road funded through Public Sector Programme per year	Infrastructure and Economic Development	6.3 million	1.7 million	1.3 million	1.9 million	1.4 million	1.7 million	1.8 million
Number of additional households reached with community lighting services funded through Public Sector Programme per year	Infrastructure and Economic Development	1.6 million	554 977	616 186	546 537	692 168	768 150	900 000
Number of work opportunities created through the community work programme per year	Infrastructure and Economic Development	–	89 689	70 844	89 842	162 000	162 000	250 000
Total number of municipalities (52 targeted municipalities) supported in implementing local economic development programmes per year	Infrastructure and Economic Development	–	–	–	5	25	40	52
Total number of towns and cities implementing the Clean Cities and Towns Programme (32) per year	Infrastructure and Economic Development	–	–	–	8	16	24	32
Number of traditional leadership disputes and claims cases finalised per year	Traditional Affairs	–	–	–	32	150	300	400

1. Measured by the number of additional persons provided with access to water per year.

2. Measured by the number of additional persons provided with access to sanitation per year.

Expenditure estimates

Table 3.2 Cooperative Governance and Traditional Affairs

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
R thousand								
Administration	143 271	179 330	169 532	205 369	205 369	201 402	212 791	225 483
Policy, Research and Knowledge Management	40 851	44 949	35 433	41 506	41 506	46 071	48 748	51 981
Governance and Intergovernmental Relations	25 656 860	23 936 814	30 663 678	34 476 567	33 244 205	37 981 926	40 694 559	43 757 950
Disaster Response Management	82 075	122 981	283 092	816 232	41 232	555 225	586 927	622 073
Provincial and Municipal Government Systems	226 441	209 569	244 499	249 861	249 861	284 726	297 815	314 693
Infrastructure and Economic Development	7 180 194	9 111 748	10 363 377	12 331 358	12 311 358	15 544 190	16 858 113	18 737 285
Traditional Affairs	56 293	56 243	61 817	83 769	83 769	102 050	105 106	112 419
Total	33 385 985	33 661 634	41 821 428	48 204 662	46 177 300	54 715 590	58 804 059	63 821 884
Change to 2011 Budget estimate				271 082	(1 756 280)	872 760	1 683 240	3 273 816

Economic classification

Current payments	358 117	443 329	588 473	727 414	707 414	2 088 855	2 663 956	3 449 169
Compensation of employees	153 753	165 709	174 301	248 809	248 809	255 392	263 443	275 755
Goods and services	204 294	277 444	414 071	478 605	458 605	1 833 463	2 400 513	3 173 414
<i>of which:</i>								
<i>Administrative fees</i>	97	228	83	50	50	51	53	55
<i>Advertising</i>	7 225	4 894	2 879	4 571	4 571	5 777	6 094	6 509
<i>Assets less than the capitalisation threshold</i>	1 436	835	6 476	1 689	1 689	1 652	1 833	1 967
<i>Audit cost: External</i>	3 220	4 817	4 672	6 392	6 392	6 783	7 064	7 541
<i>Bursaries: Employees</i>	706	718	484	1 090	1 090	1 109	1 139	1 207
<i>Catering: Departmental activities</i>	6 556	4 513	3 649	6 427	6 427	6 684	7 301	7 936
<i>Communication</i>	6 765	9 319	9 422	11 979	11 979	16 375	17 050	18 102
<i>Computer services</i>	18 715	21 905	33 249	47 048	47 048	60 573	62 794	65 398
<i>Consultants and professional services: Business and advisory services</i>	36 242	36 058	236 144	75 328	55 328	215 632	222 439	237 977
<i>Consultants and professional services: Infrastructure and planning</i>	–	–	–	1 044	1 044	1 101	1 162	1 232
<i>Consultants and professional services: Legal costs</i>	3 499	3 033	4 031	3 788	3 788	4 863	5 076	5 567
<i>Contractors</i>	3 918	2 898	4 500	6 468	6 468	1 009 692	1 500 405	2 190 255
<i>Agency and support / outsourced services</i>	2 176	3 620	4 943	5 714	5 714	7 951	9 580	10 304
<i>Entertainment</i>	56	40	12	204	204	1 321	1 460	1 600
<i>Fleet services (including government motor transport)</i>	–	41	–	474	474	–	–	–
<i>Inventory: Food and food supplies</i>	–	55	–	15	15	12	13	14
<i>Inventory: Fuel, oil and gas</i>	113	105	70	75	75	78	79	84
<i>Inventory: Learner and teacher support material</i>	232	4	4	8	8	9	10	12
<i>Inventory: Materials and supplies</i>	11	63 567	46	193 394	193 394	350 029	400 030	450 026
<i>Inventory: Medical supplies</i>	–	3	13	11	11	12	12	8
<i>Inventory: Other consumables</i>	207	387	303	511	511	574	595	629

Table 3.2 Cooperative Governance and Traditional Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Inventory: Stationery and printing	10 101	6 924	5 374	13 312	13 312	20 463	21 803	23 616
Lease payments	8 320	13 340	17 357	10 987	10 987	14 805	16 174	17 142
Property payments	30 149	34 883	37 380	30 488	30 488	37 322	39 185	41 449
Transport provided: Departmental activity	–	–	–	264	264	274	278	295
Travel and subsistence	52 093	56 064	37 449	45 118	45 118	54 219	60 205	64 401
Training and development	2 128	1 831	584	2 629	2 629	3 536	3 854	4 144
Operating expenditure	2 286	1 349	1 170	2 460	2 460	2 266	2 388	2 531
Venues and facilities	8 043	6 013	3 777	7 067	7 067	10 300	12 437	13 413
Interest and rent on land	70	176	101	–	–	–	–	–
Transfers and subsidies	33 018 322	33 209 970	41 215 091	47 456 969	45 449 607	52 607 185	56 120 658	60 352 365
Provinces and municipalities	32 775 784	32 848 187	40 671 284	46 546 716	44 539 354	52 495 225	56 008 086	60 232 903
Departmental agencies and accounts	67 473	78 109	110 713	86 346	86 346	101 315	101 343	107 559
Foreign governments and international organisations	146	–	119	–	–	–	–	–
Public corporations and private enterprises	164 820	178 890	189 590	153 649	153 649	–	–	–
Non-profit institutions	9 262	9 315	7 468	10 164	10 164	10 645	11 229	11 903
Households	837	95 469	235 917	660 094	660 094	–	–	–
Payments for capital assets	9 194	8 070	17 592	19 779	19 779	19 550	19 445	20 350
Machinery and equipment	9 194	8 070	17 592	18 019	18 019	18 550	18 695	19 350
Software and other intangible assets	–	–	–	1 760	1 760	1 000	750	1 000
Payments for financial assets	352	265	272	500	500	–	–	–
Total	33 385 985	33 661 634	41 821 428	48 204 662	46 177 300	54 715 590	58 804 059	63 821 884

Expenditure trends

The spending focus over the medium term will be on making transfers through the local government equitable share to supplement municipal revenue for funding the institutional capacity of weaker municipalities and transferring the municipal infrastructure grant, which is meant for the eradication of backlogs in basic services infrastructure within municipalities, with the strategic objective to eradicate backlogs in basic services, supplement revenue and support weaker municipalities.

The department's budget increased from R33.4 billion in 2008/09 to R48.2 billion in 2011/12, at an average annual rate of 13 per cent, mainly due to increased expenditure in the *Governance and Intergovernmental Relations* and *Infrastructure and Economic Development* programmes. Spending in the *Governance and Intergovernmental Relations* programme, which transfer the local government equitable share, increased from R25.7 billion in 2008/09 to R34.5 billion in 2011/12, at an average annual rate of 10.4 per cent. The increase is due to the additional allocation for the equitable share of R6.7 billion in 2010/11.

Similarly, spending on the *Infrastructure and Economic Development* programme, which contains the municipal infrastructure grant, increased from R7.2 billion in 2008/09 to R12.3 billion in 2011/12, at an average annual rate of 19.8 per cent, to accelerate the eradication of the backlog in basic services provision. Expenditure for disaster relief in the *Disaster Response Management* programme increased from R283 million in 2010/11 to R816.2 million in 2011/12 due to the increase in the disaster relief grant, which will provide immediate relief for disasters in provinces and municipalities.

Expenditure on compensation of employees increased from R153.8 million in 2008/09 to R248.8 million in 2011/12, at an average annual rate of 17.4 per cent, due to an increase in capacity to deliver on the department's expanded mandate. Over the same period, goods and services increased from R204.3 million to R478.6 million, at an average annual rate of 32.8 per cent, as a result of consultants hired for the 2010 FIFA World Cup and

community work programme. Between 2011/12 and 2014/15, expenditure on goods and services is expected to reach R3.2 billion in 2014/15 due to increased allocations for the community work programme, which will increase participants to 250 000.

Over the medium term, expenditure is expected to increase from R48.2 billion in 2011/12 to R63.8 billion in 2014/15, at an average annual rate of 9.8 per cent. This increase is driven by higher spending on the transfers to local government through the equitable share and the municipal infrastructure grant, as well as greater allocations for disaster relief. The additional allocations over the MTEF period include R2.2 billion for the local government equitable share, R3.5 billion for the community works programme to increase participants to 250 000 in 2014/15, and R274.1 million for the municipal infrastructure grant to improve rural sanitation.

Between 2008/09 and 2014/15, spending on consultants is expected to increase from R39.7 million to R244.8 million, at an average annual rate of 35.4 per cent, as a result of infrastructure work done by contractors employed by the Development Bank of Southern Africa to provide technical assistance to municipalities in infrastructure development.

Infrastructure spending

The department is responsible for managing and transferring the municipal infrastructure grant and provides support to provinces and municipalities in implementing municipal infrastructure grant projects. This conditional grant aims to accelerate the eradication of basic services backlogs in poor communities. Allocations for the municipal infrastructure grant increases from R7.2 billion in 2008/09 to R15.8 billion in 2014/15, at an average annual rate of 14.6 per cent. In 2011/12, 1.8 million people were provided with access to water services and 1.3 million given access to sanitation services. In terms of community infrastructure, 1.3 million households were reached through the extension of road access and 616 186 households have benefited from community lighting.

Personnel information

Table 3.3 Details of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2011			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		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	500	489	33	549	428	489	489	500	500	500
Salary level 1 – 6	110	122	–	241	139	117	126	110	110	110
Salary level 7 – 10	118	130	–	125	121	158	139	118	118	118
Salary level 11 – 12	88	80	–	79	73	80	80	88	88	88
Salary level 13 – 16	184	157	33	104	95	134	144	184	184	184
Administration	188	187	–	220	162	187	187	188	188	188
Salary level 1 – 6	51	52	–	91	58	52	52	51	51	51
Salary level 7 – 10	54	52	–	54	47	52	52	54	54	54
Salary level 11 – 12	32	32	–	31	24	32	32	32	32	32
Salary level 13 – 16	51	51	–	44	33	51	51	51	51	51
Policy, Research and Knowledge Management	49	56	–	78	56	56	56	49	49	49
Salary level 1 – 6	11	21	–	37	15	21	21	11	11	11
Salary level 7 – 10	15	17	–	13	10	17	17	15	15	15
Salary level 11 – 12	12	7	–	14	12	7	7	12	12	12
Salary level 13 – 16	11	11	–	14	19	11	11	11	11	11
Governance and Intergovernmental Relations	46	46	–	61	52	46	46	46	46	46
Salary level 1 – 6	8	7	–	39	22	7	7	8	8	8
Salary level 7 – 10	11	22	–	11	16	22	22	11	11	11
Salary level 11 – 12	12	5	–	8	11	5	5	12	12	12
Salary level 13 – 16	15	12	–	3	3	12	12	15	15	15

Table 3.3 Details of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2011			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		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Disaster Response Management	22	25	-	22	17	25	25	22	22	22
Salary level 1 – 6	6	8	-	3	3	8	8	6	6	6
Salary level 7 – 10	2	3	-	8	6	3	3	2	2	2
Salary level 11 – 12	4	4	-	5	5	4	4	4	4	4
Salary level 13 – 16	10	10	-	6	3	10	10	10	10	10
Provincial and Municipal Government Systems	81	61	33	75	44	54	54	81	81	81
Salary level 1 – 6	8	8	-	45	12	12	12	8	8	8
Salary level 7 – 10	14	14	-	10	12	18	18	14	14	14
Salary level 11 – 12	8	10	-	6	6	10	10	8	8	8
Salary level 13 – 16	51	29	33	14	14	14	14	51	51	51
Infrastructure and Economic Development	41	41	-	52	52	48	48	41	41	41
Salary level 1 – 6	10	10	-	14	14	10	10	10	10	10
Salary level 7 – 10	8	8	-	15	15	13	13	8	8	8
Salary level 11 – 12	8	10	-	8	8	10	10	8	8	8
Salary level 13 – 16	15	13	-	15	15	15	15	15	15	15
Traditional Affairs	73	73	-	41	45	73	73	73	73	73
Salary level 1 – 6	16	16	-	12	15	7	16	16	16	16
Salary level 7 – 10	14	14	-	14	15	33	14	14	14	14
Salary level 11 – 12	12	12	-	7	7	12	12	12	12	12
Salary level 13 – 16	31	31	-	8	8	21	31	31	31	31

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

2. As at 30 September 2011.

As at 30 September 2011, the department had funded establishment of 500 posts and 33 posts were additional to the establishment. Between 2008/09 and 2011/12, the number of posts declined from 549 to 489 as a result of restructuring processes to refocus the department on its mandate to supporting local government through key interventions. As of 30 September 2011, 489 positions within the department had been filled reflecting a vacancy rate of 2.2 per cent. Over the medium term, the number of filled posts is expected to increase to 500.

The ratio of support staff to line staff is 1:2.

Departmental receipts

Table 3.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	
Departmental receipts	820	509	241	633	633	641	649	654
Sales of goods and services produced by department	138	138	143	150	150	155	159	161
Sales by market establishments	138	138	143	150	150	155	159	161
of which:								
Market establishment: Rental of parking - Covered and open	93	90	93	97	97	102	104	106
Service rendered: Commission on insurance and garnishee	41	41	45	48	48	48	50	50
Sale of assets less than R5 000	1	2	1	1	1	1	1	1
Reimbursement of goods issued	-	1	1	1	1	1	1	1
Replacement of security cards	3	4	3	3	3	3	3	3

Table 3.4 Receipts (continued)

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Sales of scrap, waste, arms and other used current goods	13	9	6	18	18	22	25	27
<i>of which:</i>								
<i>Sales of scrap, waste, arms and other used current goods (excl capital assets)</i>	13	9	6	18	18	22	25	27
Interest, dividends and rent on land	2	5	3	3	3	4	5	6
Interest	2	5	3	3	3	4	5	6
Sales of capital assets	–	105	–	–	–	–	–	–
Transactions in financial assets and liabilities	667	252	89	462	462	460	460	460
Total	820	509	241	633	633	641	649	654

Receipts accrue from the collection of parking fees, recovered debt, commission on insurance policy premiums, subsidised vehicles, the recovery of private telephone expenses and expenditure due to breach of study loan contracts.

Revenue decreased from R820 000 in 2008/09 to R633 000 in 2010/11, at an average annual rate of 8.3 per cent, due to a decline in repayments from officials for loss of assets, parking fees and private telephone expenses. Over the medium term, revenue is expected to increase to R654 000, at an average annual rate of 1.1 per cent. The growth is due to expected increases in recuperating funds from loss of assets by officials and parking fees.

Programme 1: Administration

Expenditure estimates

Table 3.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Ministry	19 372	43 035	35 088	27 943	24 664	26 097	27 697
Management	10 596	15 177	7 934	15 168	17 689	19 424	20 492
Chief Operating Officer	6 817	6 927	12 376	40 751	21 980	23 189	24 464
Corporate Services	41 404	46 926	28 739	34 525	40 805	42 722	45 072
Financial Services	15 005	16 337	33 675	18 944	20 469	21 287	22 902
Communication and Liaison	11 187	10 803	10 159	18 569	22 523	23 037	24 524
Legislation Review and Drafting	5 834	4 225	6 332	10 625	11 426	11 997	12 657
Internal Audit and Risk Management	6 852	6 243	3 641	9 821	11 411	12 931	13 642
Office Accommodation	26 204	29 657	31 588	29 023	30 435	32 107	34 033
Total	143 271	179 330	169 532	205 369	201 402	212 791	225 483
Change to 2011 Budget estimate				(7 200)	(14 589)	(9 530)	(10 177)

Economic classification

	140 193	172 681	168 621	200 383	196 522	208 401	221 403
Current payments							
Compensation of employees	57 758	66 640	72 992	96 985	80 766	84 809	88 901
Goods and services	82 365	105 865	95 528	103 398	115 756	123 592	132 502
<i>of which:</i>							
<i>Administrative fees</i>	85	85	81	38	40	42	44
<i>Advertising</i>	3 065	3 803	2 699	2 639	2 572	2 688	2 896

Table 3.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Assets less than the capitalisation threshold	400	210	932	364	376	390	413
Audit cost: External	3 220	4 817	4 672	6 381	6 771	7 051	7 527
Bursaries: Employees	706	718	484	1 090	1 109	1 139	1 207
Catering: Departmental activities	1 669	1 682	1 298	999	1 483	1 627	1 737
Communication	4 511	7 241	7 378	8 941	11 633	11 773	12 380
Computer services	7 200	626	428	2 938	2 198	2 563	2 526
Consultants and professional services: Business and advisory services	5 797	4 352	7 516	9 797	9 496	8 614	10 088
Consultants and professional services: Legal costs	3 224	1 187	3 923	2 482	3 640	3 741	4 018
Contractors	994	2 050	1 399	3 407	1 914	1 996	2 116
Agency and support / outsourced services	1 049	1 541	1 305	4 455	5 888	7 181	7 717
Entertainment	44	32	12	61	846	948	1 051
Fleet services (including government motor transport)	–	41	–	1	–	–	–
Inventory: Food and food supplies	–	13	–	–	–	–	–
Inventory: Fuel, oil and gas	113	105	70	75	78	79	84
Inventory: Learner and teacher support material	–	–	2	8	9	10	12
Inventory: Materials and supplies	–	32	18	25	27	28	24
Inventory: Medical supplies	–	3	13	11	12	12	8
Inventory: Other consumables	159	376	167	261	272	279	296
Inventory: Stationery and printing	3 317	1 929	2 545	3 207	4 327	4 580	5 031
Lease payments	3 543	4 784	7 346	4 181	3 224	3 950	4 353
Property payments	30 100	34 883	37 219	30 394	37 221	39 078	41 335
Transport provided: Departmental activity	–	–	–	264	274	278	295
Travel and subsistence	10 523	31 214	14 550	16 603	16 334	18 270	19 689
Training and development	1 152	715	222	1 282	1 729	1 835	1 935
Operating expenditure	771	831	663	1 031	861	904	959
Venues and facilities	723	2 595	586	2 463	3 422	4 536	4 761
Interest and rent on land	70	176	101	–	–	–	–
Transfers and subsidies	648	2 760	120	100	100	100	100
Provinces and municipalities	9	11	16	100	100	100	100
Households	639	2 749	104	–	–	–	–
Payments for capital assets	2 078	3 624	519	4 386	4 780	4 290	3 980
Machinery and equipment	2 078	3 624	519	4 386	4 780	4 290	3 980
Payments for financial assets	352	265	272	500	–	–	–
Total	143 271	179 330	169 532	205 369	201 402	212 791	225 483

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	9	11	16	100	100	100	100
Vehicle Licences	9	11	16	100	100	100	100
Households							
Social benefits							
Current	639	2 749	104	–	–	–	–
Employee social benefits	639	2 749	104	–	–	–	–

Expenditure trends

Expenditure increased from R143.3 million in 2008/09 to R205.4 million in 2011/12, at an average annual rate of 12.8 per cent, mainly due to allocations for improved conditions of service. Over the medium term, expenditure is expected to increase to R225.5 million, at an average annual rate of 3.2 per cent, to provide for increased accommodation and build capacity in support services to accommodate the growing number of personnel in the department for the traditional affairs function.

Expenditure on compensation of employees increased from R57.8 million in 2008/09 to R97 million in 2011/12, at an average annual rate of 18.9 per cent, due to the creation of the office of the chief operating officer in 2010. Over the same period, expenditure on goods and services increased from R82.4 million to R103.4 million, at an average annual rate of 7.9 per cent, due to the employment of consultants to draft the communication strategy to support the implementation of the local government turnaround strategy and Operation Clean Audit. The *Chief Operating Officer* subprogramme increased from R6.8 million in 2008/09 to R40.8 million in 2011/12, at an average annual rate of 81.5 per cent, due to increased allocations towards the implementation of Operation Clean Audit project.

Spending on consultants increased from R9 million in 2008/09 to R12.3 million in 2011/12, at an average rate of 5.4 per cent, because of flagship projects such as Operation Clean Audit, technical support and outsourced work on the communication strategy for the local government turnaround strategy in 2009. Over the medium term, spending on consultants is expected to increase to R14.1 million, at an average annual rate of 7.7 per cent. The consultants will be used to review the risk management strategy.

Programme 2: Policy, Research and Knowledge Management

Objectives and measures

- Promote evidence based policy making in local government by providing research and policy analysis on an ongoing basis, and make recommendations for policy development and change by March 2013.
- Improve knowledge and information management in local government by planning, developing and implementing a knowledge and information management strategy and initiatives by March 2013.
- Build ICT capacity within the department to support local government by improving the department's ICT capability through the upgrading of information and business technologies by March 2013.

Subprogrammes

- *Management: Research and Policy* manages the activities of the programme. This subprogramme had a staff complement of 3 and a total budget of R2.7 million in 2011/12, of which 60 per cent was used for compensation of employees. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *Policy and Research Methods* provides technical policy and research support to the department; develops policies and guidelines aimed at improving the service delivery performance of municipalities; fosters compliance with legislation; and conducts research on key challenges facing local government. This subprogramme had a staff complement of 10 and a total budget of R7.3 million in 2011/12, of which 58 per cent was used for compensation of employees. In 2011/12, weekly research alerts were provided to the department, highlighting events in the municipal and provincial environment regarding service delivery, local economic development and public participation matters. Expenditure cuts of R500 000 in 2012/13 have been approved for travel and subsistence in this subprogramme. These will be reprioritised to the monitoring and evaluation function within the subprogramme.
- *Knowledge and Information Management* provides knowledge and information management services to the department by developing systems to enhance knowledge generation and sharing among key stakeholders. This subprogramme had a staff complement of 10 and a total budget of R9.8 million in 2011/12, of which 67 per cent was used for compensation of employees. Over the medium term, this subprogramme will develop a strategy for knowledge management. No expenditure cuts in 2012/13 have been approved for this subprogramme.

- *Information, Communication and Business Technology* provides support and deploys ICT infrastructure and maintenance in the department such as data warehouse, databases and data storage facilities; and improves the department's ICT infrastructure. This subprogramme had a staff complement of 21 and a total budget of R21.6 million in 2011/12, of which 35 per cent was used for compensation of employees. Over the medium term, the focus will be on improving the department's ICT infrastructure aligned to the knowledge management strategy. No expenditure cuts in 2012/13 have been approved for this subprogramme.

Expenditure estimates

Table 3.6 Policy, Research and Knowledge Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand							
Management: Research and Policy	2 290	2 938	1 874	2 731	3 032	3 245	3 865
Policy and Research Methods	13 675	13 475	1 753	7 345	8 530	9 016	9 512
Knowledge and Information Management	11 868	12 185	13 179	9 825	10 461	11 290	11 911
Information, Communication and Business Technology	13 018	16 351	18 627	21 605	24 048	25 197	26 693
Total	40 851	44 949	35 433	41 506	46 071	48 748	51 981
Change to 2011 Budget estimate				(4 500)	(1 510)	(1 442)	(1 220)

Economic classification

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Current payments	36 852	44 335	30 883	34 546	39 771	42 498	45 281
Compensation of employees	18 406	24 179	13 214	20 501	21 788	22 877	24 023
Goods and services	18 446	20 156	17 669	14 045	17 983	19 621	21 258
<i>of which:</i>							
Administrative fees	9	141	–	–	–	–	–
Advertising	40	–	9	334	353	372	394
Assets less than the capitalisation threshold	395	444	93	279	122	130	137
Catering: Departmental activities	701	270	82	524	561	589	725
Communication	327	353	341	183	351	395	430
Computer services	4 271	7 380	10 213	4 628	5 464	6 309	6 175
Consultants and professional services: Business and advisory services	4 512	3 805	1 590	803	2 266	1 994	2 485
Consultants and professional services: Legal costs	–	509	–	–	–	–	–
Contractors	52	61	2 360	502	579	550	550
Agency and support / outsourced services	320	259	206	800	409	581	611
Entertainment	1	8	–	21	22	23	24
Inventory: Food and food supplies	–	5	–	–	–	–	–
Inventory: Learner and teacher support material	221	2	2	–	–	–	–
Inventory: Materials and supplies	1	31	–	–	–	–	–
Inventory: Other consumables	14	1	4	6	6	7	7
Inventory: Stationery and printing	2 167	1 772	1 201	1 719	2 111	2 457	2 830
Lease payments	120	211	126	137	144	151	160
Travel and subsistence	4 305	3 863	1 235	2 623	3 959	4 534	5 019
Training and development	319	256	24	276	293	308	327
Operating expenditure	220	144	3	363	405	426	451
Venues and facilities	451	641	180	847	938	795	933
Payments for capital assets	3 999	614	4 550	6 960	6 300	6 250	6 700
Machinery and equipment	3 999	614	4 550	5 200	5 300	5 500	5 700
Software and other intangible assets	–	–	–	1 760	1 000	750	1 000
Total	40 851	44 949	35 433	41 506	46 071	48 748	51 981

Expenditure trends

Expenditure increased marginally from R40.9 million in 2008/09 to R41.5 million in 2011/12, at an average annual rate of 0.5 per cent, mainly due to greater spending on projects implemented to improve ICT infrastructure, and protect and manage knowledge sharing in the department and municipalities. Between 2010/11 and 2011/12, expenditure in the *Policy and Research Methods* subprogramme increased from R1.8 million to R7.3 million due to the use of consultants in the revision of the White Paper on Local Government.

Over the medium term, expenditure is expected to increase to R52 million, at an average annual rate of 7.8 per cent, mainly to retain specialist consultants to revamp the ICT integration and knowledge management system and additional expenditure on administration. These consultants will be used to help build specialist skills in ICT integration and knowledge management within the department.

Expenditure on compensation of employees increased from R18.4 million in 2008/09 to R20.5 million in 2011/12, at an average annual rate of 3.7 per cent, to provide for improved conditions of service. Over the same period, expenditure on goods and services decreased from R18.4 million to R14 million, at an average annual rate of 8.7 per cent, due to savings identified from the consultants budget.

Programme 3: Governance and Intergovernmental Relations

Objectives and measures

- Strengthen intergovernmental relations coordination and cooperation by finalising the revised White Paper on Local Government by March 2013.
- Promote an environment of good governance and public participation by supporting provinces and municipalities in strengthening their governance and coordination capability through financing the funding model for ward committees by March 2013.
- Strengthen intergovernmental fiscal relations by engaging in processes relating to the Division of Revenue Bill and the managing of grants in line with the Division of Revenue Act and implementing the Municipal Property Rates Act (2009) aimed at improving municipal audit outcomes on an ongoing basis.

Subprogrammes

- *Management: Governance* provides strategic leadership to the programme. This subprogramme had a staff complement of 4 and a total budget of R2.9 million in 2011/12, of which 71 per cent was used for goods and services. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *Intergovernmental Relations and Coordination* develops, coordinates and implements an effective system of intergovernmental relations to strengthen coordination. This subprogramme had a staff compliment of 8 and a total budget of R8.5 million in 2011/12, of which 69 per cent was used for compensation of employees. In 2011/12, the department will finalise the Green Paper on Cooperative Governance and the proposals for a revised governance model for powers and functions, which will be aligned to the proposed reforms in the intergovernmental fiscal and functional system. Expenditure cuts in 2012/13 of R200 000 have been approved for this subprogramme by reducing the travel and subsistence budget.
- *Intergovernmental Fiscal Relations* strengthens intergovernmental fiscal relations through transfers of equitable shares, manages conditional grant transfers to municipalities, and monitors the financial viability of municipalities and provinces. This subprogramme had a staff complement of 21 and a total budget of R277.5 million in 2011/12, of which 96 per cent was used for transfers. Key priorities in 2012/13 are the finalisation of the Municipal Property Rates Amendment Bill, and implementing the necessary administrative arrangements for effective implementation across local government. Over the medium term, orientation and training will be provided to support the functionality of municipal public accounts committees. Expenditure cuts of R400 000 in 2012/2013 have been approved for this subprogramme from professional services and consultants, and will be reprioritised to support the implementation of Operation Clean Audit. Transfers to households are due to a once off allocation in the form of a gratuity given to non-returning councillors.

- *Governance and Public Participation* promotes an environment of good governance and public participation in all provinces and municipalities in strengthening their governance and coordination capability. This subprogramme had a staff complement of 9 and a total budget of R5.7 million in 2011/12, of which 68 per cent was used for compensation of employees. In 2012/13, focus will be on strengthening the capacity of ward committees by providing a series of targeted and accredited training programmes, and developing proposals for a refined legislative framework for ward committees. No expenditure cuts in 2012/13 have been approved in this subprogramme.
- *South African Local Government Association* transfers funds to the South African Local Government Association, the recognised local government body in terms of the Organised Local Government Act (1997). Transfers are used by the association to fund operational activities including capacity building programmes for councillors, local government research and knowledge sharing initiatives. This subprogramme had no staff complement and a total budget of R25.5 million in 2011/12, which was transferred in full to the association. Expenditure cuts of R4.4 million over the MTEF period have been approved in this subprogramme.
- *Municipal Demarcation Board* transfers funds to the Municipal Demarcation Board, which is the constitutional body established in terms of the Municipal Demarcation Board Act (1998). Transfers are used by the board to fund operational activities including capacity assessments, ward delimitation and boundary redetermination. This subprogramme had no staff complement and a total budget of R38.5 million in 2011/12, which was transferred in full to the board. Expenditure cuts of R239 000 over the MTEF have been approved for this subprogramme.
- *South African Cities Network* transfers funds to the South African Cities Network, which enables cooperation between South African cities and maximises benefits through the exchange of information. This subprogramme had no staff complement and a total budget of R5.3 million, which was transferred in full to the network. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *United Cities and Local Government of Africa* transfers funds to the United Cities and Local Government of Africa, an association of municipalities and national regional local government associations in Africa. The association aims to enhance cooperation and knowledge sharing among local governments in Africa to improve the delivery of services to communities across the continent. Transfers are used to fund the operational activities of the association including conferences, seminars and capacity building programmes for member states. This subprogramme had no staff complement and a total budget of R4.9 million, which was transferred in full to the association. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *Local Government Equitable Share* is the share of nationally raised revenue which is payable to the local government sphere in terms of section 214 of the Constitution. This transfer will continue to be an integrated funding instrument for supplementing municipal revenue for the provision of free basic services to poor households, and for funding the institutional capacity and support for weaker municipalities in poorer areas. This subprogramme had no staff complement and a total budget of R34.1 billion in 2011/12, which was transferred in full to municipalities. Funds are transferred to 237 municipalities, with metros receiving the largest portions. No expenditure cuts in 2012/13 have been approved for this subprogramme.

Expenditure estimates

Table 3.7 Governance and Intergovernmental Relations

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Management: Governance	–	–	18 547	2 900	3 032	3 245	3 423
Intergovernmental Relations and Coordination	8 636	6 017	1 453	8 458	9 495	10 017	10 568
Intergovernmental Fiscal Relations	11 480	8 122	8 362	277 450	12 083	12 913	13 678
Governance and Public Participation	21 257	10 037	978	5 726	6 187	6 528	6 887
South African Local Government Association	22 058	23 302	49 125	25 486	26 726	26 262	27 453
Municipal Demarcation Board	25 419	34 557	37 187	38 482	40 362	42 578	45 133
South African Cities Network	4 700	4 815	5 104	5 282	5 540	5 844	6 195

Table 3.7 Governance and Intergovernmental Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
United Cities and Local Government of Africa	3 625	4 500	2 364	4 882	5 105	5 385	5 708
Local Government Equitable Share	25 559 685	23 845 464	30 540 558	34 107 901	37 873 396	40 581 787	43 638 905
Total	25 656 860	23 936 814	30 663 678	34 476 567	37 981 926	40 694 559	43 757 950
Change to 2011 Budget estimate				262 697	297 838	617 051	1 275 789

Economic classification

Current payments	40 321	24 176	29 329	28 217	30 777	32 683	34 536
Compensation of employees	19 349	16 947	18 273	19 490	18 478	19 403	20 373
Goods and services	20 972	7 229	11 056	8 727	12 299	13 280	14 163
<i>of which:</i>							
Advertising	3 110	299	–	8	28	30	32
Assets less than the capitalisation threshold	48	30	–	10	35	35	35
Catering: Departmental activities	1 961	736	174	677	618	769	859
Communication	181	238	204	383	443	478	510
Computer services	92	139	–	–	–	–	–
Consultants and professional services: Business and advisory services	4 645	1 794	3 443	3 272	3 845	4 501	5 019
Contractors	1 699	670	530	597	1 038	1 102	1 150
Agency and support / outsourced services	129	240	76	94	288	333	365
Entertainment	–	–	–	10	5	5	5
Inventory: Food and food supplies	–	–	–	4	–	–	–
Inventory: Materials and supplies	1	–	–	2	2	2	2
Inventory: Other consumables	4	–	–	–	30	30	32
Inventory: Stationery and printing	1 985	608	659	593	904	1 006	1 071
Lease payments	374	213	126	27	38	44	52
Travel and subsistence	4 754	1 965	5 609	2 181	3 652	3 476	3 574
Training and development	140	48	9	171	176	192	204
Operating expenditure	108	29	16	20	43	49	55
Venues and facilities	1 741	220	210	678	1 154	1 228	1 198
Transfers and subsidies	25 616 424	23 912 638	30 634 338	34 448 350	37 951 129	40 661 856	43 723 394
Provinces and municipalities	25 559 685	23 845 464	30 540 558	34 107 901	37 873 396	40 581 787	43 638 905
Departmental agencies and accounts	47 477	57 859	86 312	63 968	67 088	68 840	72 586
Non-profit institutions	9 262	9 315	7 468	10 164	10 645	11 229	11 903
Households	–	–	–	266 317	–	–	–
Payments for capital assets	115	–	11	–	20	20	20
Machinery and equipment	115	–	11	–	20	20	20
Total	25 656 860	23 936 814	30 663 678	34 476 567	37 981 926	40 694 559	43 757 950

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	47 477	57 859	86 312	63 968	67 088	68 840	72 586
South African Local Government Association	22 058	23 302	49 125	25 486	26 726	26 262	27 453
Municipal Demarcation Board	25 419	34 557	37 187	38 482	40 362	42 578	45 133
Non-profit institutions							
Current	9 262	9 315	7 468	10 164	10 645	11 229	11 903
South African Cities Network	4 700	4 815	5 104	5 282	5 540	5 844	6 195
United Cities and Local Government of Africa	3 625	4 500	2 364	4 882	5 105	5 385	5 708

Table 3.7 Governance and Intergovernmental Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
South African Management Development Institute	937	-	-	-	-	-	-
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	25 559 685	23 845 464	30 540 558	34 107 901	37 873 396	40 581 787	43 638 905
Local government equitable share	25 559 685	23 845 464	30 540 558	34 107 901	37 873 396	40 581 787	43 638 905
Households							
Social benefits							
Current	-	-	-	266 317	-	-	-
Municipal councillors pension fund	-	-	-	266 317	-	-	-

Expenditure trends

Expenditure increased from R25.7 billion in 2008/09 to R34.5 billion in 2011/12, at an average annual rate of 10.4 per cent, due to an increased allocation for the local government equitable share in 2010/11. The *Local Government Equitable Share* subprogramme dominates spending in this programme and accounts for 99.7 per cent of its total budget. Increases in spending are also evident in the *Intergovernmental Fiscal Relations* and *Governance and Public Participation* subprogrammes in 2011/12. This is mainly due to a once-off allocation in the form of a gratuity given to non-returning councillors.

Expenditure on compensation of employees increased from R19.3 million in 2008/09 to R19.5 million in 2011/12, at an average annual rate of 0.2 per cent, to provide for improved conditions of service. Over the same period, expenditure on goods and services decreased from R21 million to R8.7 million, at an average annual rate of 25.3 per cent, due to a shift of provincial and municipal support subprogrammes to the *Provincial and Municipal Government Systems* programme.

Over the medium term, total expenditure is expected to increase to R43.8 billion, at an average annual rate of 8.3 per cent. Over this period, the Green Paper on Cooperative Governance and the refined legislative framework for ward committees will be finalised March 2012. The programme will also finalise the Municipal Property Rate Amendment bill for tabling in Parliament. The bill seeks to regulate the rating of property by assessment and rating of properties.

Expenditure on consultants decreased from R4.6 million in 2008/09 to R3.3 million in 2011/12, at an average annual rate of 11 per cent, and is expected to increase over the medium term to R5 million, at an average annual rate of 15.3 per cent. The increase is due to a shift of provincial and municipal support subprogrammes to the *Provincial and Municipal Government Systems* programme.

Programme 4: Disaster Response Management

Objectives and measures

- Improve the proactive and responsive capability of the disaster management centres across the spheres of government by providing ongoing guidance and policy support on the establishment and functionality of the centres.
- Support the establishment and operation effective fire services by enhancing the legislative framework for fire services and by developing a discussion document on fire brigade services to ensure that legislation responds to changing conditions by March 2013.
- Enhance disaster management capability across all spheres of government by reviewing the Disaster Management Act (2002) and developing a draft amendment bill by March 2013.

- Enhance and strengthen capacity in the disaster fraternity by providing support to 15 disaster management students through the disaster risk management bursary programme by March 2013.
- Ensure integrated and well coordinated disaster management planning and implementation by providing support to government, the relevant sectors and other stakeholders to submit their disaster risk management plans by March 2013.

Subprogrammes

- *Management: Head of Disaster* oversees the performance, management and monitoring of subprogrammes contained in this programme. This subprogramme had a staff complement of 2 and a total budget of R4.3 million in 2011/12, of which 76 per cent was used for compensation of employees. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *Legislation, Policy and Compliance Management* develops and provides implementation support for disaster risk management and fire services policies and the legislative frameworks across all spheres of government. This subprogramme had a staff complement of 6 and a total budget of R6.6 million, of which 67 per cent was used for compensation of employees. In 2011/12, focus was on establishing and enhancing the functioning of 10 disaster management centres. This is still in progress. Over the medium term, focus will be on establishing and enhancing the functioning of 50 disaster management centres, reviewing the Disaster Management Act (2002), reviewing legislation on fire services, and drafting commitment regulations. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *Planning Coordination and Support* develops and implements disaster risk management operational systems; coordinates disaster risk management capacity building and strategic research; and provides for the allocation of disaster response, relief and rehabilitation funding when there has been a disaster. This subprogramme had a staff complement of 7 and a total budget of R15.6 million in 2011/12, of which 25 per cent was used for compensation of employees, while 70 per cent was used for goods and services. Over the medium term, the development of mechanisms for disaster relief funding will be fast-tracked, the disaster risk management bursary will be provided to identified institutions, and the development of a national disaster risk management education and training framework will be finalised, at an estimated cost of R12 million. No expenditure cuts in 2012/13 have been approved in this subprogramme.
- *Intelligence and Information Systems Management* creates and manages the implementation of disaster risk management intelligence and capability systems. ICT capability for disaster management is developed and maintained in all spheres of government by: developing, implementing and maintaining a master systems plan for disaster risk management; and developing and managing the implementation of disaster management intelligence systems. This subprogramme had a staff complement of 6 and a total budget of R14.7 million in 2011/12, of which 46 per cent was used for compensation of employees. Over the medium term, at an estimated cost of R10.8 million, focus will be on refining the national indicative risk and vulnerability model, and expanding components of the national disaster management information systems and making them accessible to provincial and municipal agencies. No savings in 2012/13 have been identified in this subprogramme.
- *Disaster Relief Transfers* is a conditional grant which aims to provide immediate relief after a disaster without any scientific assessment. This subprogramme had no staff and a total budget of R775 million in 2011/12. Transfers are only made when a disaster has been declared. Over the MTEF period, transfers amount to R571.4 million, which is earmarked for provincial disasters; and R1.1 billion, which is earmarked for municipal disasters. No expenditure cuts in 2012/13 have been approved for this subprogramme.

Expenditure estimates

Table 3.8 Disaster Response Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management: Head of Disaster	–	17 537	8 642	4 324	2 930	3 091	3 261
Legislation, Policy and Compliance Management	16 375	6 804	41 218	6 594	7 228	7 680	8 102
Planning Coordination and Support	9 568	12 530	1 596	15 620	9 862	10 400	10 972
Intelligence and Information Systems Management	9 085	25 310	16 710	14 694	25 205	25 756	27 338
Disaster Relief Transfers	47 047	60 800	214 926	775 000	510 000	540 000	572 400
Total	82 075	122 981	283 092	816 232	555 225	586 927	622 073
Change to 2011 Budget estimate				(4 940)	(2 778)	(7 329)	(7 838)

Economic classification

	33 159	44 353	56 933	38 788	43 075	44 752	47 023
Current payments							
Compensation of employees	5 633	6 247	6 592	18 473	15 072	15 896	16 690
Goods and services	27 526	38 106	50 341	20 315	28 003	28 856	30 333
<i>of which:</i>							
Administrative fees	1	–	1	–	–	–	–
Advertising	206	152	90	257	278	322	345
Assets less than the capitalisation threshold	487	12	5 404	82	89	104	114
Catering: Departmental activities	150	145	107	357	504	556	587
Communication	637	249	93	230	305	300	322
Computer services	6 856	13 392	21 199	3 348	8 199	6 755	6 701
Consultants and professional services: Business and advisory services	9 223	11 793	11 175	7 646	3 873	4 850	5 327
Contractors	1 073	97	177	–	–	–	–
Agency and support / outsourced services	–	–	21	–	–	–	–
Entertainment	1	–	–	8	8	8	8
Inventory: Food and food supplies	–	37	–	–	–	–	–
Inventory: Learner and teacher support material	1	2	–	–	–	–	–
Inventory: Materials and supplies	–	2	24	–	–	–	–
Inventory: Other consumables	–	–	124	5	5	5	5
Inventory: Stationery and printing	1 595	1 424	172	866	1 224	1 341	1 401
Lease payments	3 887	7 931	9 617	4 467	9 086	9 691	10 304
Property payments	49	–	–	10	11	12	13
Travel and subsistence	1 056	1 465	1 120	2 404	3 671	4 030	4 230
Training and development	60	653	234	300	311	349	370
Operating expenditure	843	293	450	–	25	26	28
Venues and facilities	1 401	459	333	335	414	507	578
Transfers and subsidies	47 047	75 186	214 398	775 000	510 000	540 000	572 400
Provinces and municipalities	47 047	75 186	214 398	775 000	510 000	540 000	572 400
Payments for capital assets	1 869	3 442	11 761	2 444	2 150	2 175	2 650
Machinery and equipment	1 869	3 442	11 761	2 444	2 150	2 175	2 650
Total	82 075	122 981	283 092	816 232	555 225	586 927	622 073

Table 3.8 Disaster Response Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	17 317	75 186	-	470 000	330 000	350 000	371 000
Disaster Management World Cup Transfer to Municipalities	-	14 386	-	-	-	-	-
Disaster relief	-	-	-	-	-	-	-
Municipal disaster grant	17 317	60 800	-	470 000	330 000	350 000	371 000
Households							
Social benefits							
Current	-	-	-	-	-	-	-
Employee social benefits	-	-	-	-	-	-	-
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	29 730	-	214 398	305 000	180 000	190 000	201 400
Disaster relief	-	-	-	-	-	-	-
Provincial disaster grant	29 730	-	214 398	305 000	180 000	190 000	201 400

Expenditure trends

Expenditure increased significantly from R82.1 million in 2008/09 to R816.2 million in 2011/12, at an average annual rate of 115 per cent, mainly due to the increase in the disaster relief grant, which will provide immediate relief for disasters in provinces and municipalities. Expenditure in the *Planning Coordination and Support* programme increased from R9.6 million in 2008/09 to R15.6 million in 2011/12, at an average annual rate of 17.7 per cent, mainly to provide support to 82 organs of state across provincial and local government in developing their disaster management plans in setting up 50 disaster management centres across the country.

Expenditure on compensation of employees increased from R5.6 million in 2008/09 to R18.5 million in 2011/12, at an average annual rate of 48.6 per cent, to provide for improved conditions of service. Over the same period, expenditure on goods and services decreased from R27.5 million to R20.3 million, at an average annual rate of 9.6 per cent, due to a decrease in the allocation towards contractors, as they had laid down a terrestrial line to the South African Weather Service and the satellite application centre, which are key in the national disaster management centre area network for disaster related events.

Over the medium term, expenditure is expected to decrease from R816.2 million in 2011/12 to R622.1 million in 2014/15, at an average annual rate of 8.7 per cent, mainly due to the decrease in the disaster relief grant, which will provide immediate relief for disasters in provinces and municipalities. In 2012/13, the disaster relief grant is expected to account for 91.9 per cent of total expenditure in the programme. Over the MTEF period, at an estimated cost of R5 million, the programme will continue to support the establishment and functionality of the 50 disaster management centres and the expansion of components of the national disaster management information systems to provinces and municipalities.

Expenditure on consultants decreased from R9.2 million in 2008/09 to R7.6 million in 2011/12, at an average annual rate of 6.1 per cent, and is expected to decrease further over the medium term to R5.3 million, at an average annual rate of 11.3 per cent, due to the expected decrease in the verification cost.

Programme 5: Provincial and Municipal Government Systems

Objectives and measures

- Support provinces in discharging their mandate towards local government by providing reliable and objective information on provincial institutional capacity through the development of a diagnostic report on provincial institutional capacity to support local government and preparing an action plan by March 2013.
- Facilitate the development of an effective and efficient workforce within local government to enhance delivery of services within communities by developing uniform norms and standards for municipal staff establishments by March 2013.

Subprogrammes

- *Management: Provincial and Local Government Support* provides strategic leadership to the programme. This subprogramme had a staff complement of 4 and a total budget of R5.3 million in 2011/12, of which 66 per cent was used for compensation of employees. No expenditure cuts in 2012/13 have been approved in this subprogramme.
- *Provincial Government Support and Intervention* aims to strengthen provincial government systems, improve their infrastructure capability and enhance good governance within provinces for effective, efficient and responsive service delivery and governance. This entails continually strengthening the implementation of municipal services and infrastructure in all provinces, and managing and coordinating the implementation of services. This subprogramme had a staff complement of 10 and a total budget of R9.4 million in 2011/12, of which 73 per cent was used for compensation of employees. Over the medium term, the focus will be on rolling out a performance evaluation system and implementing institutional systems in all provinces to strengthen their oversight role in 150 municipalities. This will be done at an estimated cost of R5 million. Expenditure cuts from consultants and professional services of R600 000 in 2012/13 have been approved in this subprogramme. The funds will be reprioritised within the programme to support capacity building initiatives in municipalities.
- *Local Government Support and Intervention* drives capacity building within local government and provides support to enhance institutional systems within municipalities. This entails providing support to strengthen the capacity of municipalities through legislative and other mechanisms to meet service delivery obligations. This subprogramme had a staff complement of 15 and a total budget of R10 million in 2011/12, of which 67 per cent was used for compensation of employees. The subprogramme worked with the Independent Development Trust during their Community Development Week in Free State, provided support in provincial public engagements in Limpopo, Mpumalanga, North West and KwaZulu-Natal. The Municipal Systems Amendment Bill was introduced to Parliament and the regulation on participation of municipal officials in elections was promulgated. These outputs were achieved at an estimated cost of R6 million. Expenditure cuts of R700 000 in 2012/13 from consultants and professional services have been approved in this subprogramme.
- *Development Planning* facilitates development planning and promotes intergovernmental coordination in development plans. This entails establishing processes that ensure better alignment of planning processes and development plans across the 3 spheres of government. The subprogramme provided inputs in the development of a position paper on the national urban development strategy. This subprogramme had a staff complement of 15 and a total budget of R4.9 million in 2011/12, of which 76 per cent was used for compensation of employees. Over the medium term, focus will be on developing and implementing a segmentation model to ensure differentiated planning, as well as supporting municipalities in implementing credible integrated development plans in accordance with the simplified independent development plan framework. Expenditure cuts in 2012/13 have been approved in this subprogramme.
- *Municipal Systems Improvement Grant* makes transfers to assist municipalities with building in-house capacity to perform functions and to stabilise institutional and governmental systems. Transfers are used by municipalities to train staff in the areas of financial management, improve the efficacy of administrative systems and assist with the implementation of ward participatory systems. This subprogramme had no staff complement and a total budget of R220.2 million, which is transferred in full to municipalities. No savings in 2012/13 have been identified in this subprogramme.

Expenditure estimates

Table 3.9 Provincial and Municipal Government Systems

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management: Provincial and Local Government Support	–	–	2 227	5 319	26 817	23 524	24 102
Provincial Government Support and Intervention	–	–	28 654	9 358	9 011	10 666	11 253
Local Government Support and Intervention	22 128	4 616	507	10 047	10 298	11 919	12 575
Development Planning	4 313	4 953	1 111	4 927	8 504	8 972	9 465
Municipal Systems Improvement Grant	200 000	200 000	212 000	220 210	230 096	242 734	257 298
Total	226 441	209 569	244 499	249 861	284 726	297 815	314 693
Change to 2011 Budget estimate				1 545	24 184	23 115	23 512

Economic classification

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Current payments	26 180	9 516	32 499	29 617	54 630	54 981	57 295
Compensation of employees	15 299	5 349	27 447	21 527	43 842	41 338	42 790
Goods and services	10 881	4 167	5 052	8 090	10 788	13 643	14 505
<i>of which:</i>							
<i>Administrative fees</i>	1	–	1	–	–	–	–
<i>Advertising</i>	–	30	17	26	47	48	49
<i>Assets less than the capitalisation threshold</i>	3	38	–	130	137	146	155
<i>Catering: Departmental activities</i>	229	310	568	398	519	538	572
<i>Communication</i>	22	61	368	300	898	920	845
<i>Computer services</i>	–	–	203	164	90	95	100
<i>Consultants and professional services: Business and advisory services</i>	1 327	1 668	551	1 171	1 884	2 580	3 113
<i>Consultants and professional services: Legal costs</i>	16	–	–	–	–	–	–
<i>Contractors</i>	–	–	10	561	296	312	330
<i>Agency and support / outsourced services</i>	32	134	102	78	18	19	20
<i>Entertainment</i>	10	–	–	30	357	387	417
<i>Inventory: Food and food supplies</i>	–	–	–	11	12	13	14
<i>Inventory: Materials and supplies</i>	–	1	–	–	–	–	–
<i>Inventory: Other consumables</i>	4	3	1	19	19	19	19
<i>Inventory: Stationery and printing</i>	333	137	275	1 129	1 123	1 184	1 262
<i>Lease payments</i>	106	52	97	115	121	128	136
<i>Travel and subsistence</i>	6 804	1 005	2 424	2 871	3 938	5 434	5 337
<i>Training and development</i>	52	13	31	177	199	224	238
<i>Operating expenditure</i>	9	1	19	171	61	75	85
<i>Venues and facilities</i>	1 933	714	385	739	1 069	1 521	1 813
Transfers and subsidies	200 000	200 000	212 000	220 210	230 096	242 734	257 298
Provinces and municipalities	200 000	200 000	212 000	220 210	230 096	242 734	257 298
Payments for capital assets	261	53	–	34	–	100	100
Machinery and equipment	261	53	–	34	–	100	100
Total	226 441	209 569	244 499	249 861	284 726	297 815	314 693

Table 3.9 Provincial and Municipal Government Systems (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	200 000	200 000	212 000	220 210	230 096	242 734	257 298
Municipal systems improvement grant	200 000	200 000	212 000	220 210	230 096	242 734	257 298

Expenditure trends

Expenditure increased from R226.4 million in 2008/09 to R249.9 million in 2011/12, at an average annual rate of 3.3 per cent. This is due to an increase in municipal systems improvement grant allocations. The programme is dominated by the municipal systems improvement grant, which accounts for 88 per cent of total expenditure in 2011/12. The grant has been used to build in-house capacity in 150 municipalities to perform their legislated functions and to stabilise institutional and governmental systems as required in the Municipal Systems Act (2000). By December 2011, 90 per cent of municipalities had their own municipal turnaround strategies, which have been incorporated in the integrated development plans.

Expenditure on compensation increased from R15.3 million in 2008/09 to R21.5 million in 2011/12, at an average annual rate of 12.1 per cent, to provide for improved conditions of service. Over the same period, expenditure on goods and services decreased from R10.9 million to R8.1 million, at an average annual rate of 9.4 per cent, due to increased allocation towards training and development aimed at building capacity at provinces to support municipalities in service delivery.

Over the medium term, expenditure is expected to increase to R314.7 million, at an average annual rate of 8 per cent, due to the increase in allocation for the municipal systems improvement grant as support for the municipalities to develop their own turnaround strategies.

Expenditure on consultants, which accounts for 0.5 per cent of expenditure in this programme in 2011/12, is expected to increase from R1.2 million in 2011/12 to R3.1 million in 2014/15, at an average annual rate of 38.5 per cent. The consultants were hired to develop and maintain Gapskill, a web based skills audit system that supports the department capacity building initiative in provinces.

Programme 6: Infrastructure and Economic Development

Objectives and measures

- Promote economic development within local government by supporting 25 municipalities to implement local economic development strategies by March 2013.
- Ensure the progressive realisation of access to free basic services by supporting 150 municipalities in the rollout of the national indigent policy for free basic services by March 2013.
- Promote employment and social development in the most marginalised communities by creating and maintaining public infrastructure through the community works programme to provide 140 000 new work opportunities by March 2013.
- Promote greater ownership of environmental health outcomes within municipalities by coordinating the rollout of the operation clean cities initiative in 16 sites with key stakeholders by March 2013.
- Ensure access to basic services by historically marginalised communities by providing specialised technical and management support to 93 municipalities facing severe challenges in being able to meet government's 2014 targets with respect to households' access to basic services.

Subprogrammes

- *Management: Infrastructure* oversees the performance, management and monitoring of this programme. This subprogramme had a staff complement of 4 and a total budget of R23.4 million in 2011/12. No savings in 2012/13 have been identified in this subprogramme.
- *Local Economic Development Planning* supports the planning and implementation of local economic development programmes in provincial and local government within the national framework. This subprogramme had a staff complement of 13 and a total budget of R9 million in 2011/12, of which 75 per cent was used for compensation of employees. Over the medium term, programme management support to 4 business development forums will be facilitated at an estimated cost of R20 million. Cuts of R300 000 on consultants and professional advisers have been approved for this subprogramme. These funds will be reprioritised within the programme to support the employment of additional staff for the *Community Work Programme*.
- *Infrastructure Development* supports municipalities with infrastructure planning that inform capital investment priorities within their integrated development plans. This subprogramme had a staff complement of 19 and a total budget of R10 million in 2011/12, of which 77 per cent is used for compensation of employees. Over the medium term, support to municipalities with the rollout of revised free basic services policies will be provided and the municipalities will be monitored. Expenditure cuts of R1 million in 2012/13 on computer services have been approved for this subprogramme.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure. This subprogramme had a total budget of R11.4 billion in 2011/12, which was transferred in full to municipalities. R274.1 million is shifted from the rural household infrastructure grant to the municipal infrastructure grant in 2014/15 to accelerate the provision of basic services infrastructure to rural households. No expenditure cuts in 2012/13 have been approved in this subprogramme.
- *Community Work Programme* contributes to developing public assets in poor communities, provides income security and work experience for participants, and promotes social and economic inclusion. 160 533 jobs were created by March 2011. This subprogramme had a staff complement of 17 and a total budget of R653.5 million in 2011/12, of which 7 per cent was used for compensation of employees. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *Special Purpose Vehicle* provides support to municipalities in the areas of municipal infrastructure planning, operational planning and infrastructure maintenance. This subprogramme had a staff complement of 10 and a total budget of R192.1 million in 2011/12, of which 4 per cent was used for compensation of employees. The bulk of the budget was transferred to the Development Bank of South Africa to provide technical assistance to municipalities in infrastructure development. In 2012/13, the subprogramme will focus on establishing the Municipal Infrastructure Support Agency at an estimated cost of R90 million. Over the medium term, the focus will be on: deploying technical experts to targeted municipalities to assist them with project planning, implementation and infrastructure asset management; and providing training for technical staff in municipalities. No expenditure cuts in 2012/13 have been approved for this subprogramme.

Expenditure estimates

Table 3.10 Infrastructure and Economic Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management: Infrastructure	–	–	18 997	23 377	3 032	3 245	3 423
Local Economic Development Planning	34 175	37 903	357	8 962	9 812	10 352	10 921
Infrastructure Development	12 156	12 929	1 036	9 954	13 243	13 971	14 739
Municipal Infrastructure Grant	6 969 043	8 727 526	9 704 312	11 443 505	13 881 633	14 643 465	15 764 200
Community Work Programme	–	154 500	449 085	653 499	1 439 877	1 985 040	2 729 840
Special Purpose Vehicle	164 820	178 890	189 590	192 061	196 593	202 040	214 162
Total	7 180 194	9 111 748	10 363 377	12 331 358	15 544 190	16 858 113	18 737 285
Change to 2011 Budget estimate				23 480	557 984	1 053 229	1 984 108

Table 3.10 Infrastructure and Economic Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	45 849	114 013	233 538	334 827	1 656 607	2 208 388	2 966 535
Compensation of employees	26 453	34 536	18 517	33 272	35 109	36 866	38 709
Goods and services	19 396	79 477	215 021	301 555	1 621 498	2 171 522	2 927 826
<i>of which:</i>							
Administrative fees	–	1	–	5	3	3	3
Advertising	344	88	–	320	1 452	1 532	1 624
Assets less than the capitalisation threshold	94	97	–	705	774	817	868
Catering: Departmental activities	788	785	304	2 066	1 488	1 623	1 766
Communication	355	459	229	1 108	1 089	1 169	1 252
Computer services	296	368	–	34 966	43 875	46 285	49 062
Consultants and professional services: Business and advisory services	3 981	5 993	210 436	49 310	192 125	197 337	209 262
Contractors	43	10	–	–	1 004 170	1 494 694	2 184 253
Agency and support / outsourced services	383	985	2 878	154	1 206	1 316	1 432
Entertainment	–	–	–	13	14	15	16
Fleet services (including government motor transport)	–	–	–	473	–	–	–
Inventory: Materials and supplies	1	63 501	1	193 367	350 000	400 000	450 000
Inventory: Other consumables	19	4	–	220	242	255	270
Inventory: Stationery and printing	508	647	107	5 165	9 096	9 670	10 255
Lease payments	204	129	11	1 738	1 558	1 647	1 746
Travel and subsistence	10 811	5 171	823	10 376	13 088	13 706	14 447
Training and development	377	131	6	229	161	170	181
Operating expenditure	235	36	–	157	9	9	9
Venues and facilities	957	1 072	226	1 183	1 148	1 274	1 380
Transfers and subsidies	7 134 009	8 997 416	10 129 834	11 990 931	13 881 633	14 643 465	15 764 200
Provinces and municipalities	6 969 043	8 727 526	9 704 312	11 443 505	13 881 633	14 643 465	15 764 200
Foreign governments and international organisations	146	–	119	–	–	–	–
Public corporations and private enterprises	164 820	178 890	189 590	153 649	–	–	–
Households	–	91 000	235 813	393 777	–	–	–
Payments for capital assets	336	319	5	5 600	5 950	6 260	6 550
Machinery and equipment	336	319	5	5 600	5 950	6 260	6 550
Total	7 180 194	9 111 748	10 363 377	12 331 358	15 544 190	16 858 113	18 737 285

Details of transfers and subsidies

Foreign governments and international organisations							
Current	146	–	119	–	–	–	–
Common Wealth to Local Government Forum	146	–	119	–	–	–	–
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Capital	6 969 043	8 727 526	9 704 312	11 443 505	13 881 633	14 643 465	15 764 200
Municipal infrastructure grant	6 969 043	8 727 526	9 704 312	11 443 505	13 881 633	14 643 465	15 764 200

Table 3.10 Infrastructure and Economic Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Households							
Other transfers to households							
Current	-	91 000	235 813	393 777	-	-	-
Community work programme	-	91 000	235 813	393 777	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	164 820	178 890	189 590	153 649	-	-	-
Development Bank of Southern Africa: Siyenza Manje	164 820	178 890	189 590	153 649	-	-	-

Expenditure trends

Between 2008/09 and 2011/12, expenditure increased from R7.2 billion to R12.3 billion, at an average annual rate of 19.8 per cent, mainly due to transfers for the municipal infrastructure grant, which increased by R5.2 billion over the period to eradicate the backlog in municipal infrastructure. Through the municipal infrastructure grant, 7.2 million individuals were given access to water and 3.2 million individuals were provided with access to electricity between 2008/09 and 2011/12. The *Community Work Programme*, which was instituted in 2009/10, increased from R154.5 million to R653.5 million in 2011/12, at an average annual rate of 105.7 per cent. By December 2011, 247 300 work opportunities were created.

Expenditure on compensation of employees increased from R26.5 million in 2008/09 to R33.3 million in 2011/12, at an average annual rate of 7.9 per cent, to provide for improved conditions of service. Over the same period, expenditure on goods and services increased from R19.4 million to R301.6 million, at an average annual rate of 149.6 per cent, due to increased allocation towards consultants employed to mentor and induct new community work programmes. Implementing agents into the norms, standards and systems of the community works programme. Transfers to municipalities increased from R7 billion to R12 billion between 2008/09 and 2011/12, at an average annual rate of 18.9 per cent, due to additional allocation to the municipal infrastructure grant. In 2011/12, there was a function shift from National Treasury, which resulted in transfers to the Development Bank of South Africa for Siyenza Manje being incorporated to the *Special Purpose Vehicle* subprogramme.

Over the medium term, expenditure is expected to increase from R12.3 billion in 2011/12 to R18.7 billion in 2014/15, at an average annual rate of 15 per cent. This increase is mainly due to the *Community Work Programme's* funding, which is expected to grow, at an average annual rate of 61.1 per cent, to R2.7 billion over the MTEF period with the aim of creating 250 000 job opportunities and growing the total number of sites participating in the programme.

Expenditure on consultants increased from R4 million in 2008/09 to R49.3 million in 2011/12, at an average annual rate of 131.4 per cent, due to community work programme implementation at local level done by implementing agents. This is expected to grow to R209.3 million by 2014/15, at an average annual rate of 61.9 per cent.

Programme 7: Traditional Affairs

Objectives and measures

- Ensure better alignment and standardisation in the regulatory and institutional support framework for traditional affairs across national, provinces and local government by finalising the National Traditional Affairs Bill by March 2013.

- 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 2013.
- Promote and integrate the role of traditional affairs and the institution of traditional leadership in the South African governance system by maintaining synergetic relations with other governance structures across the three spheres of government by March 2013.
- Promote widespread access to traditional knowledge and leadership by establishing a comprehensive, user friendly database of traditional leaders by March 2013.

Subprogrammes

- *Management: Head of Traditional Affairs* oversees the performance, management and monitoring of this programme. This subprogramme had a staff complement of 8 and a total budget of R8.6 million in 2011/12, of which 67 per cent was used for compensation of employees. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *Policy and Legislation for Traditional Affairs* ensures better alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across national, provincial and local government. Policies, legislation and frameworks on traditional affairs are also developed. This subprogramme had a staff complement of 22 and a total budget of R13.7 million in 2011/12, of which 88 per cent was used for compensation of employees. Over the medium term, the consolidation of the Traditional Leadership and Governance Framework Act (2003) and the National Traditional Leaders Act (2009) into a single piece of legislation and the National Traditional Affairs Bill will be finalised at an estimates cost of R2 million. No expenditure cuts in 2012/13 have been identified in this subprogramme.
- *Institutional Support and Coordination* provides institutional and capacity building and support to the institution of traditional leadership, and coordinates the establishment of intergovernmental relations and partnerships for development and service delivery. A skills audit database on the capacity of kings, queens and senior traditional leaders was initiated, and 800 senior traditional leaders were trained regarding the legislation. This subprogramme had a staff complement of 23 and a total budget of R13.6 million in 2011/12, of which 60 per cent was used for compensation of employees. In 2012/13, the focus will be on developing a report by March 2012 at an estimated cost of R1.5 million. The report will contain a comprehensive assessment of governance in the area of traditional affairs. No expenditure cuts in 2012/13 have been approved in this subprogramme.
- *National House of Traditional Leaders* represents the interests of traditional communities and traditional leaders, and provides advice to government on policies and programmes impacting them. The regulatory framework for the National House of Traditional Leaders Act (2000) was refined, which resulted in the amendment act being introduced to Parliament in March 2011. This subprogramme had a staff complement of 12 and a total budget of R14.7 million in 2011/12, of which 47 per cent was used for compensation of employees. In 2012/13, cooperative relations and synergistic partnerships with the department will be fostered with government at the national level in the area of development and service delivery. No expenditure cuts have been identified in this subprogramme in 2012/13.
- *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities* makes transfers to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities. This subprogramme had no staff complement and a total budget of R22.4 million in 2011/12, which was transferred in full to the commission. No expenditure cuts in 2012/13 have been approved for this subprogramme.
- *Commission on Traditional Leadership Disputes and Claims* resolves claims and disputes at all levels of traditional leadership referred to the commission. The commission had a staff complement of 9 and a total budget of R10.9 million in 2011/12, of which 50 per cent was used for compensation of employees. No expenditure cuts in 2012/13 have been approved for this subprogramme. In 2010/11, the commission recognised 6 kings by issuing them with certificates of recognition.

Expenditure estimates

Table 3.11 Traditional Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management: Head of Traditional Affairs	–	–	12 523	8 581	10 019	12 085	13 013
Policy and Legislation for Traditional Affairs	9 875	9 634	6 566	13 666	12 347	13 166	14 360
Institutional Support and Coordination	–	–	295	13 593	12 985	13 699	14 723
National House of Traditional Leaders	14 926	13 755	15 754	14 701	21 094	21 650	22 627
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	19 996	20 250	24 401	22 378	34 227	32 503	34 973
Commission on Traditional Leadership Disputes and Claims	11 496	12 604	2 278	10 850	11 378	12 003	12 723
Total	56 293	56 243	61 817	83 769	102 050	105 106	112 419
Change to 2011 Budget estimate				–	11 631	8 146	9 642

Economic classification

	35 563	34 255	36 670	61 036	67 473	72 253	77 096
Current payments							
Compensation of employees	10 855	11 811	17 266	38 561	40 337	42 254	44 269
Goods and services	24 708	22 444	19 404	22 475	27 136	29 999	32 827
<i>of which:</i>							
Administrative fees	1	1	–	7	8	8	8
Advertising	460	522	64	987	1 047	1 102	1 169
Assets less than the capitalisation threshold	9	4	47	119	119	211	245
Audit cost: External	–	–	–	11	12	13	14
Catering: Departmental activities	1 058	585	1 116	1 406	1 511	1 599	1 690
Communication	732	718	809	834	1 656	2 015	2 363
Computer services	–	–	1 206	1 004	747	787	834
Consultants and professional services: Business and advisory services	6 757	6 653	1 433	3 329	2 143	2 563	2 683
Consultants and professional services: Infrastructure and planning	–	–	–	1 044	1 101	1 162	1 232
Consultants and professional services: Legal costs	259	1 337	108	1 306	1 223	1 335	1 549
Contractors	57	10	24	1 401	1 695	1 751	1 856
Agency and support / outsourced services	263	461	355	133	142	150	159
Entertainment	–	–	–	61	69	74	79
Inventory: Learner and teacher support material	10	–	–	–	–	–	–
Inventory: Materials and supplies	8	–	3	–	–	–	–
Inventory: Other consumables	7	3	7	–	–	–	–
Inventory: Stationery and printing	196	407	415	633	1 678	1 565	1 766
Lease payments	86	20	34	322	634	563	391
Property payments	–	–	161	84	90	95	101
Travel and subsistence	13 840	11 381	11 688	8 060	9 577	10 755	12 105
Training and development	28	15	58	194	667	776	889
Operating expenditure	100	15	19	718	862	899	944
Venues and facilities	837	312	1 857	822	2 155	2 576	2 750
Transfers and subsidies	20 194	21 970	24 401	22 378	34 227	32 503	34 973
Departmental agencies and accounts	19 996	20 250	24 401	22 378	34 227	32 503	34 973
Households	198	1 720	–	–	–	–	–
Payments for capital assets	536	18	746	355	350	350	350
Machinery and equipment	536	18	746	355	350	350	350
Total	56 293	56 243	61 817	83 769	102 050	105 106	112 419

Table 3.11 Traditional Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	19 996	20 250	24 401	22 378	34 227	32 503	34 973
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	19 996	20 250	24 401	22 378	34 227	32 503	34 973
Households							
Social benefits							
Current	198	-	-	-	-	-	-
Employee social benefits	198	-	-	-	-	-	-
Households							
Other transfers to households							
Current	-	1 720	-	-	-	-	-
Traditional Leaders: Act of grace	-	1 720	-	-	-	-	-

Expenditure trends

Between 2008/09 and 2011/12, expenditure increased from R56.3 million to R83.8 million, at an average annual rate of 14.2 per cent. This growth is attributable to additional funding allocated for the establishment of the department in 2009. These allocations also explain the increase in expenditure on compensation of employees from R10.9 million in 2008/09 to R38.6 million in 2011/12, at an average annual rate of 52.6 per cent. Over the same period, expenditure on goods and services decreased from R24.7 million to R22.5 million, at an average annual rate of 3.1 per cent, due to the ending of the contract of the consultant hired to review of legislation towards the establishment of the department and less travelling.

Over the medium term, expenditure is expected to increase to R112.4 million, at an average annual rate of 10.3 per cent, due to additional funding allocated to the Commission for the Promotion and Protection of the Rights, and cultural religious and linguistic communities for policy research and capacity building. As a result, transfers to departmental agencies and accounts is expected to increase from R22.4 million in 2011/12 to R35 million in 2014/15, at an average annual rate of 16 per cent.

Expenditure on consultants represents 7.9 per cent of goods and services in 2012/13, and is expected to decrease from R5.7 million in 2011/12 to R5.5 million in 2014/15, at an average annual rate of 1.3 per cent. This is due to the department terminating the contract of a consultant hired to review current traditional affairs legislation aimed at the consolidation of national legislation into a single bill.

Public entities and other agencies

The Municipal Demarcation Board

Overview: 2008/09 – 2014/15

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 of the Constitutional Court.

In addition to determining and re-determining municipal boundaries, the board is also mandated to declare and withdraw the declaration of district management areas, delimit wards for local elections, and assess the capacity of municipalities to perform their functions. In executing its mandate, the board has focused on the following strategic objectives: creating spatial areas within which voters can elect ward councillors; assessing the capacity of district and local municipalities to advise members of executive councils for local government in their

decisions to adjust powers and functions between district and local municipalities; ensuring good governance; ensuring sound financial management; and fostering stakeholder relations.

Performance

The board's activities focused mainly on delimiting wards in preparation for the 2011 local government elections. The board held consultative meetings with stakeholders to reach consensus on the preferred set of wards. In addition, the board finalised and handed over 4 227 wards to the Electoral Commission to prepare for the elections. It also finalised a spatial database for handover to the commission.

Over the medium term, the board's focus will be to review the outer municipal boundaries to adjust boundaries for technical realignment. This will be finalised by 2013. The boundary redetermination is also an opportunity for re-categorisation and creation of new municipalities. Over the medium term, the board will open the broader public and stakeholder engagement to share results of the boundary reviews. The board will also review the current demarcation framework to ensure that the process provides stability, consistency and sustainability of wards and municipal boundaries.

Selected performance indicators

Table 3.12 The Municipal Demarcation Board

Indicator	Activity/ Objective/ Programme/ Project	Past			Current	Projected		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Percentage of total requests for changes to boundaries finalised per year	Operation and research	100%	_1	_1	40%	85%	100%	_2
Percentage of process completed to delimit municipal wards for all local and metropolitan municipalities for 2011 and 2016 local elections	Operation and research	50%	100%	_3	_3	_3	_3	50%
Percentage of capacity assessments completed per municipalities per year (data collection)	Operation and research	100%	_4	_4	100%	100%	100%	100%
Percentage of capacity assessments completed per municipality per year (in-depth qualitative analysis)	Operation and Research	-	-	-	20%	20%	20%	20%

1. Ward delimitation process, in preparation for 2011 local government elections.

2. Ward delimitation process in preparation for 2016 local government elections.

3. Municipal Boundary redetermination process.

4. Assessments suspended to review the model and methodology therefore the reviewed model and methodology is cheaper and easier, hence the decision to do it every year.

Programmes/activities/objectives

Table 3.13 The Municipal Demarcation Board

	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Operation and research	12 996	11 880	15 138	17 299	14 840	15 360	15 253
Financial management and accounting	3 947	4 476	4 324	4 976	6 244	6 816	7 444
Corporate services	7 676	11 283	16 569	16 963	19 775	20 910	22 954
Total expense	24 619	27 639	36 031	39 238	40 859	43 086	45 651

The Municipal Demarcation Board had a total budget of R39.2 million in 2011/12, of which 66.2 per cent was used for goods and services.

Savings and cost effectiveness measures

Over the MTEF period, savings of R239 000 were identified from the board's baseline allocation. In 2011/12, the board implemented the following measures to realise these savings: introducing telephone management systems to reduce the telephone expenditure, scrutinising all expenditure incurred for cost effectiveness and necessary approval, ensuring that all expenditure incurred is value adding, discarding expenses that do not add value, and ensuring good financial management practices.

Expenditure estimates

Table 3.14 The Municipal Demarcation Board

Statement of financial performance				Revised estimate 2011/12	Medium-term estimate		
R thousand	Audited outcome		2012/13		2013/14	2014/15	
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	532	730	746	756	497	508	518
Sale of goods and services other than capital assets	36	11	41	22	25	27	28
<i>of which:</i>							
Sales of maps	36	11	41	22	25	27	28
Other non-tax revenue	496	719	705	734	472	481	490
Transfers received	25 420	34 557	37 187	38 482	40 362	42 578	45 133
Total revenue	25 952	35 287	37 933	39 238	40 859	43 086	45 651
Expenses							
Current expenses	24 619	27 639	36 031	39 238	40 859	43 086	45 651
Compensation of employees	8 224	10 705	11 322	12 366	17 199	18 872	20 713
Goods and services	15 674	16 167	23 907	25 994	22 694	23 152	23 769
Depreciation	540	666	802	878	966	1 062	1 169
Interest, dividends and rent on land	181	101	–	–	–	–	–
Total expenses	24 619	27 639	36 031	39 238	40 859	43 086	45 651
Surplus / (Deficit)	1 333	7 648	1 902	–	–	–	–
Statement of financial position							
Carrying value of assets	1 008	2 567	2 802	3 313	3 436	3 642	3 712
<i>of which:</i>							
Acquisition of assets	385	2 399	1 076	1 489	1 089	1 268	1 239
Inventory	110	169	283	295	299	302	312
Receivables and prepayments	443	621	449	460	510	550	560
Cash and cash equivalents	8 996	16 878	16 388	16 001	16 031	16 025	16 020
Non-current assets held for sale	62	–	–	–	–	–	–
Total assets	10 619	20 235	19 922	20 069	20 276	20 519	20 604
Accumulated surplus / (deficit)	7 391	15 039	16 941	16 941	16 941	16 941	16 941
Finance lease	–	383	628	–	–	–	–
Deferred income	150	–	–	–	–	–	–
Trade and other payables	2 615	4 813	2 353	2 500	2 600	2 698	2 713
Provisions	463	–	–	628	735	880	950
Total equity and liabilities	10 619	20 235	19 922	20 069	20 276	20 519	20 604

Expenditure trends

The spending focus of the Municipal Demarcation Board over the medium term will be on broadening public and stakeholder engagement to share results of the boundary reviews. The board will also review the current demarcation framework to ensure that the process provides for the stability, consistency and sustainability of wards and municipal boundaries.

The board's main source of income is government transfers. Other sources of income include sale of maps and interest income generated from investments with banks. Transfers received increased from R25.4 million in 2008/09 to R38.5 million in 2011/12, at an average annual rate of 14.8 per cent, due to additional allocations for improved conditions of service. Over the MTEF period, transfers received are expected to increase to R45.1 million, at an average annual rate of 5.2 per cent.

Between 2008/09 and 2011/12, the board delimited wards in preparation for May 2011 local government elections. The ward delimitation process which was started in 2009 adopted an inclusive and participatory approach with the stakeholders thus enabling the board to publish the revised ward delimitation map in 2010.

Expenditure is expected to increase from R24.6 million in 2008/09 to R39.2 million in 2011/12, at an average annual rate of 16.8 per cent, due to growing organisational structure to support of the mandate of the institution. Over the MTEF period, expenditure is expected to increase to R45.7 million in 2014/15, at an average annual rate of 5.2 per cent, due to an increase in the staff complement required to undertake the redetermination of boundaries and municipal capacity assessments of municipalities.

Expenditure on compensation of employees increased from R8.2 million in 2008/09 to R12.4 million in 2011/12, at an average annual rate of 14.6 per cent, to provide for improved conditions of service. Over the same period, expenditure on goods and services increased from R15.7 million to R26 million, at an average annual rate of 18.4 per cent, due to increased spending on consultants and travelling and subsistence in preparation for the 2011 elections.

Spending on consultants increased from R296 000 to R1.1 million between 2008/09 and 2011/12, at an average annual rate of 18.4 per cent, due to the need to the use consultants for ward delimitation, boundary redetermination and capacity assessment. Over the medium term, expenditure on consultants is expected to increase to R2 million in 2014/15, due to the need to use consultants for ward capacity assessment towards the 2016 elections.

Personnel information

Table 3.15 The Municipal Demarcation Board

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	10	10	1	10	10	10	9	10	10	10
Executive management	2	2	–	2	2	2	2	4	4	4
Senior management	3	3	–	3	3	3	3	4	4	4
Professionals	19	19	2	19	19	19	17	29	29	29
Total	34	34	3	34	34	34	31	49	49	49
Compensation (R thousand)				8 224	10 705	11 322	12 366	17 199	18 872	20 713
Unit cost (R thousand)				242	315	333	399	351	385	423

1. As at 30 September 2011.

The board had an establishment of 39 posts as at 30 September 2011. The number of posts remained unchanged between 2008/09 and 2011/12. The establishment is however expected to grow to 38 over the MTEF period. The growth is based on the new organisational structure implemented in 2012/13, due to the need to strengthen capacity and not rely on consultants on some of the core functions.

South African Local Government Association

Overview: 2008/09 – 2014/15

The South African Local Government Association is mandated by the Constitution to assist in the comprehensive transformation of local government. The Organised Local Government Act (1998) recognises the association as the representative of organised local government, and allows organised local government to designate up to 10 part-time representatives to the National Council of Provinces and to nominate 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.

The organisation's objectives are to: lobby, advocate for and represent the local government sector in inter-governmental forums; fulfil its role as the employer body for the local government sector; engage in strategic profiling of the local government sector; share knowledge; support and advise member local authorities; and build local government capacity.

The association's work is structured around five programmes. The universal access to sustainable municipal infrastructure and services programme ensures the well coordinated provision of bulk infrastructure in the sector by facilitating access to bulk infrastructure funding for priority projects and establishing sustainable institutions to manage bulk infrastructure. The coherent and effective environmental management programme ensures that climate change strategies are integrated into municipal planning processes by facilitating municipal development management strategies that are responsive to climate change by formulating a local government position on climate change and using the National Climate Change Response White Paper to roll out local government climate change programmes. The socioeconomic development programme develops and maintains tools and methodologies of local economic development, researches local economic development good practices and maintains the local economic development portal. The local government programme is the centre of development and integrated planning. It develops a national framework for the preparation of guidelines for the development of municipal spatial development frameworks to ensure that the pre-1994 legacy of unequal spatial arrangements is addressed.

Performance

Between 2008/09 and 2011/12, the association facilitated the development of guidelines on ward committees among all local municipalities. By 2011/12, with the assistance of the association, all local municipalities had adopted a delegations framework. The association also co-facilitated a summit and expo on the green economy and climate change innovation to raise municipalities' awareness of the issues and ensure that they factor in climate change into their plans.

In 2010, the association lobbied for metropolitan municipalities to be granted level 2 accreditation to accelerate housing delivery within local government. It also provided hands-on governance support through legal opinions, workshops and seminars to a 150 municipalities.

Over the medium term, the association will provide support to 75 municipalities in developing spatial development frameworks. In addition, the association will advise and support 200 municipalities to implement the impact of climate change framework.

Selected performance indicators

Table 3.16 South African Local Government Association

Indicator	Activity/Objective/ Programme/Project	Past			Current	Projected		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Percentage of municipalities, excluding districts, with guidelines on ward committees of 237	Governance and intergovernmental relations	46% (109/237)	71% (169/237)	88% (209/237)	100% (237/237)	-	-	-
Percentage of municipalities with a delegations framework of 237	Governance and intergovernmental relations	52% (123/237)	82% (195/237)	85% (201/237)	100% (237/237)	-	-	-
Total number of provinces in which HIV and AIDS handbooks have been rolled out	Community development	-	3	7	9	-	-	-
Total number of learning networks established, revitalised or supported per year	Strategy policy and research	-	2	5	- ¹	5	5	5
Number of municipalities piloted on the implementation of spatial development framework guidelines per year	Municipal infrastructure services	-	-	-	20	25	25	25
Total number of municipalities advised and supported on implementing the impact of climate change framework	Municipal institutional development	-	-	-	50	150	37	-

1. The entity will not be implementing the project this year due to financial constraints.

Programmes/activities/objectives

Table 3.17 South African Local Government Association

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Community development	4 908	6 419	8 358	8 036	9 735	11 009	12 401
Economic development and development planning	5 987	7 836	6 993	9 631	10 388	11 724	13 151
Governance and intergovernmental relations	5 036	6 583	8 610	8 411	8 897	9 989	11 056
Municipal institutional development	7 099	9 292	8 879	11 408	13 048	14 738	16 588
Municipal infrastructure services	9 699	8 703	10 001	14 981	16 790	19 040	21 648
Office of the chief executive officer	17 477	18 874	20 081	27 731	30 902	34 489	38 982
Finance and corporate services	36 208	36 166	44 993	51 897	56 363	63 041	70 849
Strategy policy and research	5 424	7 094	9 242	8 905	10 402	11 739	13 167
Eastern Cape	10 203	9 352	10 917	16 096	18 347	20 743	23 437
Other objectives	75 677	95 071	115 547	120 702	151 586	170 849	191 799
Total expense	177 718	205 390	243 621	277 798	326 458	367 361	413 078

The South African Local Government Association had a total budget of R277.8 million in 2011/12, of which 50.9 per cent was used for compensation of employees.

Savings and cost effectiveness measures

The association has identified efficiency savings of R1.2 million in 2012/13 to be realised through savings on contracted services. The association has also introduced other cost savings measures, including: updating the travel and accommodation policies to require booking economy class and lower grade car hire. The use of member municipality's facilities is encouraged in an effort to minimise costs for venue and facilities hire. Energy efficiency measures have been put in place to minimise the costs of municipal charges for water and lights. The association will continue to minimise costs on catering.

Expenditure estimates

Table 3.18 South African Local Government Association

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	131 930	172 816	160 335	240 533	313 544	364 390	407 746
Sale of goods and services other than capital assets	110 166	137 508	145 888	224 341	311 590	362 327	405 572
<i>of which:</i>							
<i>Sales by market establishments</i>	110 166	137 508	145 888	224 341	311 590	362 327	405 572
<i>Other non-tax revenue</i>	21 764	35 308	14 447	16 192	1 954	2 063	2 174
Transfers received	26 865	33 314	75 006	41 733	34 313	26 302	27 493
Total revenue	158 795	206 130	235 341	282 266	347 857	390 692	435 239
Expenses							
Current expenses	177 718	205 390	243 621	277 798	326 458	367 361	413 078
Compensation of employees	70 685	91 591	125 626	141 406	167 677	183 449	192 622
Goods and services	101 293	109 552	111 628	131 500	153 697	178 546	214 665
Depreciation	3 250	3 385	3 440	3 568	3 690	3 893	4 238
Interest, dividends and rent on land	2 490	862	2 927	1 324	1 395	1 473	1 553
Total expenses	177 718	205 390	243 621	277 798	326 458	367 361	413 078
Surplus / (Deficit)	(18 923)	740	(8 280)	4 468	21 399	23 331	22 161

Table 3 18 South African Local Government Association (continued)

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2008/09	2009/10	2010/11				
Statement of financial position							
Carrying value of assets	19 834	19 876	23 122	19 004	17 765	15 501	13 313
<i>of which:</i>							
Acquisition of assets	5 653	3 817	7 567	3 100	3 070	2 460	2 680
Receivables and prepayments	29 026	38 641	25 258	28 119	26 942	21 422	15 193
Cash and cash equivalents	4 089	610	4 496	3 305	16 794	46 244	75 774
Total assets	52 948	59 126	52 876	50 428	61 501	83 167	104 280
Accumulated surplus / (deficit)	3 160	3 940	(4 340)	128	21 527	44 858	67 019
Capital and reserves	2 260	2 260	2 260	-	-	-	-
Finance lease	5 323	2 104	1 020	5 782	4 888	4 502	4 489
Deferred income	7 674	19 510	13 673	12 183	4 489	4 449	4 409
Trade and other payables	34 156	30 955	39 692	32 013	30 291	29 067	28 058
Provisions	376	357	573	322	306	291	306
Total equity and liabilities	52 948	59 125	52 878	50 428	61 501	83 167	104 280

Expenditure trends

The spending focus over the medium term will be on providing support to 75 municipalities in developing spatial development frameworks. In addition, the association will advise and support 200 municipalities in implementing the impact of climate change framework.

The association derives revenue from membership fees paid by municipalities, transfers from the department and donations from foreign donors. R224.3 million was received in membership fees in 2011/12, which accounts for 79.5 per cent of total revenue in that year. Between 2008/09 and 2014/15, total revenue increases from R150.2 million to R435.2 million, at an average annual rate of 15.5 per cent, mainly due to an increase in membership fees in 2011/12 and the re-inclusion of Kwazulu-Natal's membership levy income into revenue estimates.

Expenditure is expected to increase from R177.7 million in 2008/09 to R413.1 million in 2014/15, at an average annual rate of 15.1 per cent. The increase is mainly to provide for increased support to municipalities and the Municipal Demarcation Board in preparation of the 2011 municipal elections. Spending on compensation of employees is expected to increase from R141.4 million in 2011/12 to R192.6 million in 2014/15, at an average annual rate of 10.9 per cent, due to the appointment of additional staff. Consultants are used on a short term basis, for example, to review legal documents and for IT services.

In October 2010, the association hosted a conference on human resources management policy aligned with the implementation of the performance management system by municipalities. In the same year, 450 local government practitioners graduated from the executive leadership and management development programme, which is an initiative to build capacity at local government. Over the MTEF period, the organisation will facilitate a mutual gains approach to collective bargaining by conducting research on term based wage and salary agreements and restructuring the South African Local Government Bargaining Council. In addition, the association will ensure councillors in January 2013 enrol for the local government law and administration course, one of the capacity building programmes organised by the association in partnership with University of Fort Hare.

Personnel information

Table 3.19. South African Local Government Association

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	17	17	5	14	17	16	12	17	17	17
Senior management	33	28	12	19	21	25	21	29	30	31
Middle management	105	91	32	79	59	80	73	90	92	95
Skilled	203	142	92	65	78	137	111	125	128	138
Semi-skilled	102	88	24	51	71	59	78	80	81	80
Very low skilled	11	11	–	4	4	11	11	11	11	11
Total	471	377	165	232	250	328	306	352	359	372
Compensation (R thousand)				70 685	91 591	125 626	141 406	167 677	183 449	192 622
Unit cost (R thousand)				305	366	383	462	476	511	518

1. As at 30 September 2011.

The entity had an establishment of 471 posts as at 30 September 2011, 377 of which were funded. The number of posts filled increased from 232 in 2008/09 to 306 in 2011/12 and is expected to grow to 372 in 2014/15. The growth is geared towards building capacity to enhance the support that entity provides its members and to enhance representation of members at intergovernmental relations forums. The ratio of support staff to line staff is 2:1.

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

Overview: 2008/09 – 2014/15

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 strategic objectives of the commission are to: promote and develop peace, friendship, humanity, tolerance and national unity among cultural, religious and linguistic communities; foster mutual respect among cultural, religious and linguistic communities; and recommend the establishment or recognition of community councils.

The commission focuses on recovering diminished heritages through research, disseminating findings, education and advocacy. The commission also facilitates the resolution of conflicts between individuals, groups and communities. It also engages communities in dialogue on critical areas of their cultural, religious and linguistic rights.

The commission has set its goals and targets over the medium term to include: opening provincial offices; increasing human resources; ensuring that there is social cohesion and nation building; establishing effective and efficient community councils; undertaking proactive consultation with cultural, religious and linguistic communities; and developing strategies to enhance the commission's public visibility and accessibility.

Performance

The commission investigates a total of 33 complaints on cultural, religious and linguistic matters between 2008/09 and 2011/12. Over the same period, the commission undertook 321 engagements with communities as a way of promoting dialogue among cultural, religious and linguistic communities.

The commission investigated a claim of cultural genocide and violation of the indigenous people's rights lodged by the Khoisan community, held two public hearings on public holidays and religious holydays. The commission also produced a report on the male initiation schools and held consultative meetings in the Eastern Cape, Western Cape, Free State, Limpopo, North West and Northern Cape.

Over the medium term, the commission will focus on producing research that is relevant and insightful into the challenges faced by different cultural, religious and linguistic communities. The commission expects to increase its research output to 18 research papers by 2014/15.

Selected performance indicators

Table 3.20 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Indicator	Activity/Objective/Programme/Project	Past			Current	Projected		
		2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Number of complaints on cultural, religious and linguistic matters investigated per year ¹	Investigation and conflict resolution	6	7	8	12	15	20	40
Number of research reports published per year	Research and policy development	–	–	–	–	6	12	18
Number of engagements with communities per year (mediations, dialogues, seminars information)	Public education and advocacy	63	78	89	91	96	100	180
Number of provincial community councils recognised	Community engagement	–	–	–	–	5	9	9

1. The indicator on the number of conflict cases resolved per year which was published in the 2011 ENE has been changed, to provide proper description of what the entity does.

Programmes/activities/objectives

Table 3.21 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Strategic management	4 923	6 554	5 457	6 378	4 373	4 721	4 715
Senior management	–	–	–	–	3 396	3 634	3 640
Corporate services	3 620	3 630	4 977	4 946	6 740	7 120	7 488
Financial management	9 572	8 325	5 947	4 894	5 110	5 607	5 595
Investigation and conflict resolution	805	1 142	1 197	1 269	1 430	1 812	1 556
Research and policy development	940	2 096	3 352	2 512	3 157	3 350	3 333
Public education and advocacy	1 216	1 011	1 294	1 244	1 901	2 474	1 801
Community engagement	1 136	1 007	1 287	1 225	6 813	2 488	5 483
Regions	–	–	–	–	1 432	1 427	1 497
Total expense	22 212	23 765	23 511	22 468	34 352	32 633	35 108

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities had a total budget of R22.5 million in 2011/12, of which 60.7 per cent was used for compensation of employees.

Savings and cost effectiveness measures

No savings have been identified. However, the commission has effected cost savings in respect of communication cost by limiting cellular phone contracts. Over the medium term, the commission will identify further cost containment measures.

Expenditure estimates

Table 3.22 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	336	116	982	90	125	130	135
<i>Other non-tax revenue</i>	336	116	982	90	125	130	135
Transfers received	19 996	20 250	24 401	22 378	34 227	32 503	34 973
Total revenue	20 332	20 366	25 383	22 468	34 352	32 633	35 108
Expenses							
Current expenses	22 212	23 765	23 511	22 468	34 352	32 633	35 108
Compensation of employees	11 134	14 197	13 477	13 644	18 978	19 926	20 920
Goods and services	10 577	8 940	9 569	8 246	14 874	12 107	13 488
Depreciation	374	503	429	448	500	600	700
Interest, dividends and rent on land	127	125	36	130	–	–	–
Total expenses	22 212	23 765	23 511	22 468	34 352	32 633	35 108
Surplus / (Deficit)	(1 880)	(3 399)	1 872	–	–	–	–
Statement of financial position							
Carrying value of assets	1 524	1 609	1 461	1 013	633	48	(652)
<i>of which:</i>							
<i>Acquisition of assets</i>	493	587	281	–	120	15	–
Receivables and prepayments	483	553	556	490	490	490	490
Cash and cash equivalents	1 282	11	688	3 300	3 680	4 265	4 965
Total assets	3 289	2 173	2 705	4 803	4 803	4 803	4 803
Accumulated surplus / (deficit)	1 876	(1 090)	782	782	782	782	782
Capital and reserves	–	–	–	4 196	4 196	4 196	4 196
Trade and other payables	614	2 195	1 084	(332)	(332)	(332)	(332)
Provisions	799	1 068	839	157	157	157	157
Total equity and liabilities	3 289	2 173	2 705	4 803	4 803	4 803	4 803

Expenditure trends

The spending focus over the medium term will be on producing research that is relevant and insightful into the challenges faced by different cultural, religious and linguistic communities. The commission expects to increase its research output to 18 research papers by 2014/15. In addition, spending will be geared towards hosting a national consultative conference, as mandated by the commission's governing act.

The commission's main source of income is government transfers and earnings from interest income on investments. Transfers received grew from R20 million in 2008/09 to R22.4 million in 2011/12, at an average annual rate of 3.8 per cent, and are expected to increase over the medium term to R35 million, at an average annual rate of 16 per cent. The growth over the MTEF period is attributable to increased allocations of R28 million to enable the commission to increase its personnel numbers to 43.

Between 2008/09 and 2011/12, expenditure increased from R22.2 million to R22.5 million, at an average annual rate of 0.4 per cent, due to an additional allocation made for improving the conditions of service. Expenditure is expected to increase to R35.1 million over the medium term, at an average annual rate of 16.4 per cent. Spending on compensation of employees increased from R11.1 million in 2008/09 to R13.6 million in 2011/12, at an average annual rate of 7 per cent, and is expected to increase over the medium term to R20.9 million, at an average annual rate of 15.3 per cent. The increase is due to 13 more posts to be filled in 2012/13. Over the medium term, spending will be geared towards hosting a national consultative conference, as mandated by the

commission's governing act. The conference will provide a platform to consult with the stakeholders regarding religious, linguistic and cultural issues.

Personnel information

Table 3.23 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	2	2	3	2	2	2	2	2	2	2
Executive management	1	1	–	1	1	1	1	1	1	1
Senior management	7	4	–	6	6	5	4	5	5	5
Middle management	35	6	–	6	6	6	6	7	7	7
Skilled	29	15	–	17	17	15	15	26	26	26
Very low skilled	2	2	–	–	–	2	2	2	2	2
Total	76	30	3	32	32	31	30	43	43	43
Compensation (R thousand)				11 134	14 197	13 477	13 644	18 978	19 926	20 920
Unit cost (R thousand)				348	444	435	455	441	463	487

1. As at 30 September 2011.

The commission had an approved establishment of 76 posts as at 30 September 2011, 30 of which are funded and 2 are additional to the approved establishment. The number of filled posts decreased from 32 in 2008/09 to 30 in 2011/12. Filled posts are expected to grow to 43 over the MTEF period. The growth is based on the new organisational development project taking place in 2011/12 to be implemented 2012/13, due to the need to strengthen capacity and reduce reliance on consultants. Due to financial constraints, the commission was unable to fill the vacant posts, hence the additional allocation of R28 million over the MTEF. The commission has retained short-term consultants to set up IT systems and review of legislation. The ratio of line staff to support staff is 1:2.

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	2010/11		2010/11	2011/12			2011/12
Administration	188 131	197 922	169 532	212 569	(7 200)	205 369	205 369
Policy, Research and Knowledge Management	50 076	48 168	35 433	46 006	(4 500)	41 506	41 506
Governance and Intergovernmental Relations	30 285 489	30 666 385	30 663 687	34 213 870	262 697	34 476 567	33 244 205
Disaster Response Management	41 563	293 240	283 092	821 172	(4 940)	816 232	41 232
Provincial and Municipal Government Systems	227 981	251 210	244 490	248 316	1 545	249 861	249 861
Infrastructure and Economic Development	10 232 795	10 217 545	10 363 377	12 307 878	23 480	12 331 358	12 311 358
Traditional Affairs	70 863	74 077	61 817	83 769	–	83 769	83 769
Total	41 096 898	41 748 547	41 821 428	47 933 580	271 082	48 204 662	46 177 300
Economic classification							
Current payments	619 563	661 076	588 473	691 255	36 159	727 414	707 414
Compensation of employees	246 500	232 061	174 301	232 862	15 947	248 809	248 809
Goods and services	373 063	429 015	414 071	458 393	20 212	478 605	458 605
Interest and rent on land	–	–	101	–	–	–	–
Transfers and subsidies	40 464 027	41 069 340	41 215 091	47 222 446	234 523	47 456 969	45 449 607
Provinces and municipalities	39 894 669	40 499 982	40 671 284	46 545 926	790	46 546 716	44 539 354
Departmental agencies and accounts	83 213	83 213	110 713	86 118	228	86 346	86 346
Foreign governments and international organisations	489	489	119	–	–	–	–
Public corporations and private enterprises	189 590	189 590	189 590	192 061	(38 412)	153 649	153 649
Non-profit institutions	9 104	9 104	7 468	10 164	–	10 164	10 164
Households	286 962	286 962	235 917	388 177	271 917	660 094	660 094
Payments for capital assets	13 308	18 031	17 592	19 779	–	19 779	19 779
Machinery and equipment	11 608	16 331	17 592	18 019	–	18 019	18 019
Software and other intangible assets	1 700	1 700	–	1 760	–	1 760	1 760
Payments for financial assets	–	100	272	100	400	500	500
Total	41 096 898	41 748 547	41 821 428	47 933 580	271 082	48 204 662	46 177 300

Table 3.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Compensation of employees (R thousand)	153 753	165 709	232 061	227 490	255 392	263 443	275 753
Training expenditure (R thousand)	1 663	1 769	1 370	2 552	2 554	2 634	2 757
Training as percentage of compensation	1.1%	1.1%	0.6%	1.1%	1.0%	1.0%	1.0%
Total number trained in department (headcount)	501	501	506	506			
<i>of which:</i>							
Employees receiving bursaries (headcount)	–	–	–	–			
Learnerships (headcount)	–	–	–	–			
Internships (headcount)	26	26	26	–			
Households receiving bursaries (R thousand)	–	–	–	–	–	–	–
Households receiving bursaries (headcount)	–	–	–	–			

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Conditional grants to provinces							
Disaster Response Management							
Provincial disaster grant	29 730	–	214 398	305 000	180 000	190 000	201 400
Total	29 730	–	214 398	305 000	180 000	190 000	201 400
Conditional grants to municipalities							
Disaster Response Management							
Municipal disaster grant	17 317	60 800	–	470 000	330 000	350 000	371 000
Provincial and Municipal Government Systems							
Municipal systems improvement grant	200 000	200 000	212 000	220 210	230 096	242 734	257 298
Infrastructure and Economic Development							
Municipal infrastructure grant	6 969 043	8 727 526	9 704 312	11 443 505	13 881 633	14 643 465	15 764 200
Total	7 186 360	8 988 326	9 916 312	12 133 715	14 441 729	15 236 199	16 392 498

1. Detail provided in the Division of Revenue Act (2012.)

Table 3.D Summary of donor funding

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand													
Foreign													
In cash													
Danish International Development Agency	Anti-corruption training	Infrastructure and Economic Development	April 2008 to March 2012	71 840	Goods and services	Train senior officials and political office bearers in ethics	1 492	3 848	2 729	-	-	-	-
Danish International Development Agency	Project to consolidate knowledge management	Infrastructure and Economic Development	October 2008 to October 2011	1 678	Goods and services	Provide knowledge management	837	-	-	-	-	-	-
European Union	Masibambane	Infrastructure and Economic Development	April 2009 to March 2010	31 778	Goods and services	Support municipal urban renewal programme	3 425	8 372	1 446	-	-	-	-
European Union	Public participation and empowerment	Infrastructure and Economic Development	September 2008 to November 2011	39 585	Goods and services	Expand and strengthen community based participation in local government	808	32 090	-	6 687	-	-	-
United Kingdom Department for International Development	Community work programme	Infrastructure and Economic Development	June 2010 to March 2011	15 000	Goods and services	Implement the community work programme	-	-	15 000	-	-	-	-
European Union	Pilot sebenza nathi Initiative	Infrastructure and Economic Development	June 2010 to March 2011	11 348	Goods and services	Support to South Africa's growth strategy programme	-	-	5 863	-	-	-	-
Netherlands	Sectorial Budget Support	Infrastructure and Economic Development	April 2009 to March 2011	5	Goods and services	Sectorial Budget Support	-	-	-	-	-	-	-
United Nations Development Programme (UNDP)	White Paper On Disaster Management	Infrastructure and Economic Development	April 2009 to March 2011	444	Goods and services	White Paper on Disaster Management	-	-	-	-	-	-	-
In kind													
European Union	Strengthening communities of diversity and peace	Infrastructure and Economic Development	February 2010 to February 2011	4 252	Goods and services	Strengthen communities of diversity and peace	-	-	190	-	-	-	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	Strengthening local government support programme	Infrastructure and Economic Development	January 2009 to March 2012	104 563	Goods and services	Improve municipal service delivery, resilience and vibrancy of local economies, and strengthen local democracy	48 706	36 139	19 718	-	-	-	-

Table 3.D Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand													
Italy	Decentralisation and local development policies in South Africa	Infrastructure and Economic Development	April 2007 to March 2009	44 112	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	-	-	-	-	-
United States Agency for International Development	Local government support programme	Infrastructure and Economic Development	April 2009 to March 2010	46 760	Goods and services	Support programme to local government	15 090	27 136	4 534	-	-	-	-
United States Agency for International Development	Local government support increasing sustainable local government	Infrastructure and Economic Development	April 2006 to March 2009	30 211	Goods and services	Increase sustainable local government	30 211	-	-	-	-	-	-
United States Agency for International Development	Increased sustainable local governance service	Infrastructure and Economic Development	September 2010 to September 2013	63 222	Goods and services	Increase sustainable local government	-	-	-	-	-	-	-
Local In cash													
African Renaissance Fund	Support to the Democratic Republic of the Congo on decentralisation of local government	Infrastructure and Economic Development	June 2008 to March 2013	11 673.0	Goods and services	Provide support to the Democratic Republic of the Congo on decentralisation	1 414.0	-	-	-	-	-	-
Total				476 471			101 983	139 697	49 480	6 687	-	-	-

Table 3.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost			Adjusted appropriation							
			2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15				
R thousand													
Infrastructure transfers to other spheres, agencies and departments													
Municipal infrastructure grant transfer	Eradicate the back log in Municipal infrastructure by providing basic services to poor households.	Various	83 958 256	8 727 526	12 528 884	11 443 505	13 881 633	14 643 465	15 764 200				
Total			83 958 256	8 727 526	12 528 884	11 443 505	13 881 633	14 643 465	15 764 200				

National Treasury
BUDGET 2012
ESTIMATES OF NATIONAL EXPENDITURE

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