

# BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE

**VOTE 3: Cooperative Governance and Traditional Affairs**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



# **Estimates of National Expenditure**

## **2013**

**National Treasury**

**Republic of South Africa**

27 February 2013



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The Estimates of National Expenditure 2013 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](http://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 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



**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. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

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; 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](http://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 million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	219.0	215.7	0.1	3.1	227.1	233.5
Policy, Research and Knowledge Management	49.5	43.2	–	6.3	52.3	56.8
Governance and Intergovernmental Relations	40 706.7	45.7	40 661.1	0.0	44 620.8	50 343.3
Disaster Response Management	585.1	48.3	534.6	2.2	613.5	635.3
Provincial and Municipal Government Systems	272.1	31.7	240.3	0.1	286.2	296.8
Infrastructure and Economic Development	16 315.2	1 963.0	14 352.1	0.2	17 375.6	18 266.4
Traditional Affairs	105.2	72.3	32.5	0.4	111.9	116.9
<b>Total expenditure estimates</b>	<b>58 252.7</b>	<b>2 419.9</b>	<b>55 820.6</b>	<b>12.2</b>	<b>63 287.4</b>	<b>69 948.9</b>
Executive authority	Minister of Cooperative Governance and Traditional Affairs					
Accounting officer	Director General of Cooperative Governance / Director General of Traditional Affairs					
Website address	<a href="http://www.cogta.gov.za">www.cogta.gov.za</a>					

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

### Aim

*Improve cooperative governance across the three spheres of government in partnership with institutions of traditional leadership to ensure that provinces and municipalities carry out their service delivery and development functions effectively.*

### Mandate

The Department of Cooperative Governance and Traditional Affairs is mandated to: develop, monitor and support the implementation of national policy and legislation, seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their development role; develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and promote sustainable development by providing support to and exercising oversight over provincial and local government. This mandate is derived from the following legislation:

- the Intergovernmental Relations Framework Act (2005)
- the Municipal Property Rates Act (2004)
- the Municipal Systems Act (2000)
- the Municipal Structures Act (1998).

### Strategic goals

The department's strategic goals over the medium term are to:

- strengthen accountability, governance and oversight of provincial and local government
- facilitate local economic development and improve access to basic services
- develop a policy platform for a differential approach to municipalities.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide management, leadership and administrative services to 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 that places special emphasis on prevention, mitigation and preparedness on the part of 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 and 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 that promote 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.

## Selected performance indicators

**Table 3.1 Cooperative Governance and Traditional Affairs**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of fully functional disaster management centres (of 62) across the three spheres of government	Disaster Response Management		12	30	40	50	62	62	62
Number of smaller municipalities (of 136) supported to implement revised integrated development planning framework <sup>2</sup>	Provincial and Municipal Government Systems	Outcome 9: A responsive, accountable, effective and efficient local government system	-2	-2	-2	70	136	136	136
Number of provinces supported in community development programmes per year <sup>1</sup>	Provincial and Municipal Government Systems		-1	-1	9	9	9	9	9

**Table 3.1 Cooperative Governance and Traditional Affairs (continued)**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of provinces assessed on institutional capacity per year <sup>2</sup>	Provincial and Municipal Government Systems		- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	5	4	9	9
Value of municipalities' spending on municipal infrastructure grant per year	Infrastructure and Economic Development		R11.1bn	R11.3bn	R11.5bn	R13.9bn	R14.7bn	R15.8bn	R16.9bn
Number of work opportunities created through the community work programme per year	Infrastructure and Economic Development	Outcome 9: A responsive, accountable, effective and efficient local government system	70 844	89 689	105 218	171 500	171 500	250 000	255 000
Total number of municipalities (52 targeted municipalities) supported in implementing local economic development programmes <sup>1</sup>	Infrastructure and Economic Development		- <sup>1</sup>	- <sup>1</sup>	5	25	40	52	52
Total number of towns and cities implementing the Clean Cities and Towns programme (of 8) <sup>1</sup>	Infrastructure and Economic Development		- <sup>1</sup>	- <sup>1</sup>	8	8	8	8	8
Number of traditional leadership disputes and claims cases finalised per year <sup>1</sup>	Traditional Affairs		- <sup>1</sup>	- <sup>1</sup>	32	150	300	400	450

1. Department began measuring indicator in 2011/12.

2. Department began measuring indicator in 2012/13.

## The national development plan

The department's objectives are in alignment with one of the main objectives of the national development plan, which is to increase employment by 11 million jobs by 2030. The community work programme contributes towards the goal of broadening the expanded public works programme as outlined in the national development plan, as a significant driver of job creation. The national development plan focuses on the need to produce and develop technical and specialist related skills in government to overcome the shortage, particularly at the local government level. In line with this, the department has established a municipal infrastructure support agency to provide immediate support to municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to municipalities and oversee them. The long term strategy is to create a pool of skilled professionals who can play a critical role in infrastructure delivery within local government.

## Expenditure estimates

**Table 3.2 Cooperative Governance And Traditional Affairs**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	179.3	169.5	206.1	197.5	196.2	3.0%	0.4%	219.0	227.1	233.5	6.0%	0.4%
Policy, Research and Knowledge Management	44.9	35.4	37.9	49.3	48.1	2.3%	0.1%	49.5	52.3	56.8	5.7%	0.1%
Governance and Intergovernmental Relations	23 936.8	30 663.7	33 270.8	38 111.9	37 609.3	16.3%	71.3%	40 706.7	44 620.8	50 343.3	10.2%	70.5%
Disaster Response Management	123.0	283.1	80.7	555.4	555.4	65.3%	0.6%	585.1	613.5	635.3	4.6%	1.0%
Provincial and Municipal Government Systems	209.6	244.5	252.4	285.2	282.1	10.4%	0.6%	272.1	286.2	296.8	1.7%	0.5%
Infrastructure and Economic Development	9 111.7	10 363.4	12 285.1	15 553.4	15 382.7	19.1%	26.8%	16 315.2	17 375.6	18 266.4	5.9%	27.4%
Traditional Affairs	56.2	61.8	88.6	102.5	102.5	22.1%	0.2%	105.2	111.9	116.9	4.5%	0.2%
<b>Total</b>	<b>33 661.6</b>	<b>41 821.4</b>	<b>46 221.6</b>	<b>54 855.2</b>	<b>54 176.2</b>	<b>17.2%</b>	<b>100.0%</b>	<b>58 252.7</b>	<b>63 287.4</b>	<b>69 948.9</b>	<b>8.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				139.6	(539.4)			(551.4)	(534.5)	3 191.2		

### Economic classification

	443.3	588.5	661.1	2 104.4	1 925.5	63.2%	2.1%	2 419.9	3 169.1	3 314.9	19.9%	4.4%
<b>Current payments</b>												
Compensation of employees	165.7	174.3	235.0	290.4	287.3	20.1%	0.5%	277.7	294.1	315.0	3.1%	0.5%
Goods and services	277.4	414.1	426.0	1 814.0	1 638.2	80.7%	1.6%	2 142.2	2 875.0	2 999.9	22.3%	3.9%
of which:												
Administration fees	0.2	0.1	0.1	0.1	0.1	-39.3%	0.0%	0.1	0.1	0.1	3.8%	0.0%
Advertising	4.9	2.9	5.8	7.8	7.8	16.7%	0.0%	19.4	19.1	20.1	37.2%	0.0%
Assets less than the capitalisation threshold	0.8	6.5	1.4	2.9	2.9	52.2%	0.0%	1.8	2.0	2.5	-5.0%	0.0%

Table 3.2 Cooperative Governance And Traditional Affairs (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12			2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15		
R million												
<i>Audit cost: External</i>	4.8	4.7	5.1	6.8	6.8	12.1%	0.0%	6.7	7.1	7.4	3.1%	0.0%
<i>Bursaries: Employees</i>	0.7	0.5	4.8	3.1	3.1	63.0%	0.0%	3.1	3.2	3.3	1.6%	0.0%
<i>Catering: Departmental activities</i>	4.5	3.6	4.8	6.6	6.6	13.6%	0.0%	7.7	7.1	7.0	1.9%	0.0%
<i>Communication</i>	9.3	9.4	8.9	16.4	16.4	20.7%	0.0%	25.3	26.3	27.0	18.1%	0.0%
<i>Computer services</i>	21.9	33.2	17.2	38.6	38.6	20.8%	0.1%	57.5	66.9	71.4	22.8%	0.1%
<i>Consultants and professional services: Business and advisory services</i>	36.1	236.1	262.0	202.4	132.1	54.2%	0.4%	273.4	288.9	293.7	30.5%	0.4%
<i>Consultants and professional services: Infrastructure and planning</i>	–	–	–	1.1	1.1	–	0.0%	1.2	1.2	1.3	5.4%	0.0%
<i>Consultants and professional services: Legal costs</i>	3.0	4.0	7.1	4.9	4.9	17.0%	0.0%	4.9	5.6	5.9	6.4%	0.0%
<i>Contractors</i>	2.9	4.5	5.2	1 023.6	1 023.6	606.9%	0.6%	1 167.0	1 823.6	1 903.6	23.0%	2.4%
<i>Agency and support / outsourced services</i>	3.6	4.9	1.2	5.7	5.7	16.4%	0.0%	7.9	8.4	7.3	8.5%	0.0%
<i>Entertainment</i>	0.0	0.0	–	1.3	1.3	220.8%	0.0%	0.2	0.2	0.2	-48.1%	0.0%
<i>Inventory: Food and food supplies</i>	0.1	–	–	0.0	0.0	-39.8%	0.0%	0.0	0.0	0.0	-2.9%	0.0%
<i>Inventory: Fuel, oil and gas</i>	0.1	0.1	0.1	0.1	0.1	-9.4%	0.0%	0.1	0.1	0.1	4.1%	0.0%
<i>Inventory: Other consumables</i>	0.4	0.3	0.9	0.6	0.6	14.0%	0.0%	1.1	1.2	1.2	28.1%	0.0%
<i>Inventory: Stationery and printing</i>	6.9	5.4	6.0	20.5	20.5	43.5%	0.0%	20.3	21.5	22.4	3.1%	0.0%
<i>Operating leases</i>	13.3	17.4	2.3	13.8	13.8	1.1%	0.0%	9.7	10.3	10.3	-9.3%	0.0%
<i>Property payments</i>	34.9	37.4	37.7	37.3	37.3	2.3%	0.1%	39.2	41.4	43.2	5.0%	0.1%
<i>Transport provided: Departmental activity</i>	–	–	–	0.3	0.3	–	0.0%	0.3	0.3	0.3	4.1%	0.0%
<i>Travel and subsistence</i>	56.1	37.4	47.0	53.2	48.4	-4.8%	0.1%	71.2	73.2	73.7	15.1%	0.1%
<i>Training and development</i>	1.8	0.6	1.2	3.5	3.5	24.5%	0.0%	4.0	4.4	4.5	8.6%	0.0%
<i>Operating payments</i>	1.3	1.2	1.7	2.3	2.3	18.9%	0.0%	2.2	2.7	3.1	10.7%	0.0%
<i>Venues and facilities</i>	6.0	3.8	5.4	10.3	10.3	19.7%	0.0%	10.2	10.3	10.4	0.3%	0.0%
<i>Rental and hiring</i>	–	–	–	1.0	1.0	–	0.0%	–	–	–	-100.0%	0.0%
<i>Interest and rent on land</i>	0.2	0.1	0.1	–	–	-100.0%	0.0%	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>33 210.0</b>	<b>41 215.1</b>	<b>45 551.0</b>	<b>52 737.3</b>	<b>52 237.3</b>	<b>16.3%</b>	<b>97.9%</b>	<b>55 820.6</b>	<b>60 105.0</b>	<b>66 620.0</b>	<b>8.4%</b>	<b>95.6%</b>
Provinces and municipalities	32 848.2	40 671.3	44 884.2	52 495.2	51 995.2	16.5%	96.9%	55 708.9	59 987.2	66 497.7	8.5%	95.3%
Departmental agencies and accounts	78.1	110.7	86.3	101.3	101.3	9.1%	0.2%	100.7	106.1	110.2	2.9%	0.2%
Foreign governments and international organisations	–	0.1	0.2	–	–	–	0.0%	–	–	–	–	–
Public corporations and private enterprises	178.9	189.6	179.7	–	–	-100.0%	0.3%	–	–	–	–	–
Non-profit institutions	9.3	7.5	5.7	8.0	8.0	-4.8%	0.0%	11.1	11.7	12.1	14.6%	0.0%
Households	95.5	235.9	394.8	132.8	132.8	11.6%	0.5%	–	–	–	-100.0%	0.1%
<b>Payments for capital assets</b>	<b>8.1</b>	<b>17.6</b>	<b>8.3</b>	<b>13.3</b>	<b>13.3</b>	<b>18.2%</b>	<b>0.0%</b>	<b>12.2</b>	<b>13.4</b>	<b>14.0</b>	<b>1.7%</b>	<b>0.0%</b>
Machinery and equipment	8.1	17.6	8.3	13.3	13.3	18.2%	0.0%	11.4	12.4	14.0	1.7%	0.0%
Software and other intangible assets	–	–	–	–	–	–	–	0.8	1.0	–	–	–
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.3</b>	<b>1.2</b>	<b>0.1</b>	<b>0.1</b>	<b>-30.8%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>
<b>Total</b>	<b>33 661.6</b>	<b>41 821.4</b>	<b>46 221.6</b>	<b>54 855.2</b>	<b>54 176.2</b>	<b>17.2%</b>	<b>100.0%</b>	<b>58 252.7</b>	<b>63 287.4</b>	<b>69 948.9</b>	<b>8.9%</b>	<b>100.0%</b>

## Personnel information

Table 3.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Cooperative Governance And Traditional Affairs	579	8	490	236.3	0.5	479	226.6	0.5	541	253.8	0.5	543	269.1	0.5	534	288.3	0.5	3.7%	100.0%
Salary level																			
1 – 6	188	–	114	19.4	0.2	123	43.4	0.4	175	50.5	0.3	175	53.3	0.3	172	61.3	0.4	11.8%	30.8%
7 – 10	113	–	115	32.7	0.3	129	30.6	0.2	130	33.8	0.3	131	35.9	0.3	131	37.6	0.3	0.5%	24.8%
11 – 12	107	4	89	42.2	0.5	100	49.6	0.5	100	52.5	0.5	100	55.4	0.6	97	58.2	0.6	-1.0%	18.9%
13 – 16	171	4	172	142.0	0.8	127	103.0	0.8	136	117.0	0.9	137	124.6	0.9	134	131.2	1.0	1.8%	25.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on facilitating infrastructure delivery programmes and job creation, providing operational support to municipalities, strengthening technical and institutional capacity in local government, responding to disasters, and providing targeted and specialised support to traditional communities. This spending is reflected in the following: the municipal infrastructure grant and the community work programme within the *Infrastructure and Economic Development* programme, the local government equitable share in the *Governance and Intergovernmental Relations* programme, the municipal system improvement grant in the *Provincial and Municipal Government Systems* programme, and the disaster relief grant in the *Disaster Response Management* programme.

A significant increase in spending is evident between 2009/10 and 2012/13, mainly as a result of increased spending in the *Disaster Response Management* programme in the form of an additional allocation of R510 million to provide immediate relief to affected communities. In support of the establishment of a separate department of traditional affairs, the *Traditional Affairs* programme was allocated R18 million in the 2009 Budget. The significant increase in spending on goods and services in 2012/13, mainly on contractors, is attributable to payments to lead agents responsible for the implementation of the community work programme at the local level. The increase in expenditure on consultants in 2012/13 was because experts were employed to address failures in infrastructure delivery.

Spending on conditional and other fiscal transfers is expected to increase over the medium term because further allocations of R5.4 billion to the equitable share are to be transferred to municipalities to supplement municipal revenue. This will allow municipalities to provide free basic services to poor households, build in-house capacity on systems and eradicate backlogs in their infrastructure. In order to improve the state of basic services infrastructure at the 108 identified municipalities, an additional allocation of R180 million has been made to capacitate the municipal infrastructure support agency.

As part of Cabinet approved budget reductions of R1.1 billion, reductions over the medium term are to be effected mainly on the community works programme to bring allocations in line with the capacity to spend. Reductions were effected on spending on non-core goods and services items such as consultants, catering, venues and facilities, and are discussed in more detail in each programme.

R2.4 billion has been reallocated to the Department of Water Affairs to support local government water infrastructure through the municipal water infrastructure grant.

The department has a funded establishment of 579 posts and 8 posts are filled additional to the establishment. There were no vacancies as at 30 September 2012. Personnel numbers are expected to increase over the medium term to provide for security personnel. The ratio of support staff to line staff is 1:3.

## Infrastructure spending

Spending on infrastructure is done through the municipal infrastructure grant, which the department transfers to municipalities to allow them to deliver basic infrastructure services. In 2012/13, 2 million households were provided with access to water services, 1.2 million with basic sanitation, 1.7 million with roads, and 768 000 with community lighting.

## Department receipts

Table 3.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R thousand												
<b>Departmental receipts</b>	<b>509</b>	<b>241</b>	<b>1 092</b>	<b>641</b>	<b>930</b>	<b>22.3%</b>	<b>100.0%</b>	<b>874</b>	<b>918</b>	<b>950</b>	<b>0.7%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>138</b>	<b>143</b>	<b>309</b>	<b>155</b>	<b>155</b>	<b>3.9%</b>	<b>26.9%</b>	<b>159</b>	<b>161</b>	<b>163</b>	<b>1.7%</b>	<b>17.4%</b>
Sales by market establishments	138	143	158	155	155	3.9%	21.4%	159	161	163	1.7%	17.4%
of which:												
Rental parking: Covered and open	90	93	95	102	102	4.3%	13.7%	104	106	108	1.9%	11.4%
Commission: Insurance and garnishee	41	45	63	48	48	5.4%	7.1%	50	50	55	4.6%	5.5%
Sale of assets <R5000	2	1	-	1	1	-20.6%	0.1%	1	1	-	-100.0%	0.1%
Reimbursement of goods issued	1	1	-	1	1	-	0.1%	1	1	-	-100.0%	0.1%
Replacement of security cards	4	3	-	3	3	-9.1%	0.4%	3	3	-	-100.0%	0.2%
Other sales	-	-	151	-	-	-	5.4%	-	-	-	-	-
of which:												
Capital equipment	-	-	151	-	-	-	5.4%	-	-	-	-	-
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>9</b>	<b>6</b>	<b>2</b>	<b>22</b>	<b>22</b>	<b>34.7%</b>	<b>1.4%</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>-39.0%</b>	<b>1.0%</b>
of which:												
Paper	9	6	2	22	22	34.7%	1.4%	5	5	5	-39.0%	1.0%
<b>Interest, dividends and rent on land</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>-7.2%</b>	<b>0.5%</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-20.6%</b>	<b>0.3%</b>
Interest	5	3	2	4	4	-7.2%	0.5%	2	2	2	-20.6%	0.3%
<b>Sales of capital assets</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>3.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>252</b>	<b>89</b>	<b>779</b>	<b>460</b>	<b>749</b>	<b>43.8%</b>	<b>67.4%</b>	<b>708</b>	<b>750</b>	<b>780</b>	<b>1.4%</b>	<b>81.3%</b>
<b>Total</b>	<b>509</b>	<b>241</b>	<b>1 092</b>	<b>641</b>	<b>930</b>	<b>22.3%</b>	<b>100.0%</b>	<b>874</b>	<b>918</b>	<b>950</b>	<b>0.7%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 3.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Ministry	43 035	35 088	26 879	24 903	-16.7%	17.3%	29 263	30 968	32 408	9.2%	13.4%
Management	15 177	7 934	12 318	17 667	5.2%	7.1%	14 275	16 032	16 771	-1.7%	7.4%
Chief Operating Officer	6 927	12 376	34 921	20 317	43.1%	9.9%	21 992	21 750	22 554	3.5%	9.9%
Corporate Services	46 926	28 739	50 177	37 967	-6.8%	21.8%	49 229	49 538	50 314	9.8%	21.3%
Financial Services	16 337	33 675	20 667	20 569	8.0%	12.1%	28 043	29 939	31 132	14.8%	12.5%
Communication and Liaison	10 803	10 159	12 138	22 701	28.1%	7.4%	20 258	19 755	18 661	-6.3%	9.3%
Legislation Review and Drafting	4 225	6 332	10 246	11 485	39.6%	4.3%	11 757	12 483	12 952	4.1%	5.5%
Internal Audit and Risk Management	6 243	3 641	9 611	11 461	22.4%	4.1%	12 051	12 630	13 095	4.5%	5.6%
Office Accommodation	29 657	31 588	29 124	30 435	0.9%	16.1%	32 107	34 033	35 598	5.4%	15.1%
<b>Total</b>	<b>179 330</b>	<b>169 532</b>	<b>206 081</b>	<b>197 505</b>	<b>3.3%</b>	<b>100.0%</b>	<b>218 975</b>	<b>227 128</b>	<b>233 485</b>	<b>5.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(3 897)			6 184	1 645	233 485		

Table 3.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
<b>Current payments</b>	<b>172 681</b>	<b>168 621</b>	<b>195 009</b>	<b>192 377</b>	<b>3.7%</b>	<b>96.8%</b>	<b>215 735</b>	<b>223 293</b>	<b>229 477</b>	<b>6.1%</b>	<b>98.2%</b>
Compensation of employees	66 640	72 992	98 988	81 644	7.0%	42.6%	102 474	108 258	115 428	12.2%	46.5%
Goods and services	105 865	95 528	95 940	110 733	1.5%	54.2%	113 261	115 035	114 049	1.0%	51.7%
of which:											
Administration fees	85	81	92	40	-22.2%	-	42	44	46	4.8%	-
Advertising	3 803	2 699	3 395	4 572	6.3%	1.9%	6 693	6 379	7 187	16.3%	2.8%
Assets less than the capitalisation threshold	210	932	389	376	21.4%	0.3%	390	413	431	4.7%	0.2%
Audit cost: External	4 817	4 672	5 058	6 771	12.0%	2.8%	6 651	7 127	7 422	3.1%	3.2%
Bursaries: Employees	718	484	3 894	1 109	15.6%	0.8%	1 139	1 207	1 263	4.4%	0.5%
Catering: Departmental activities	1 682	1 298	1 789	1 483	-4.1%	0.8%	1 647	1 762	1 637	3.3%	0.7%
Communication	7 241	7 378	6 248	8 628	6.0%	3.9%	6 295	6 184	6 410	-9.4%	3.1%
Computer services	626	428	258	2 198	52.0%	0.5%	3 432	1 687	1 784	-6.7%	1.0%
Consultants and professional services: Business and advisory services	4 352	7 516	8 930	9 246	28.6%	4.0%	4 584	7 046	4 898	-19.1%	2.9%
Consultants and professional services: Legal costs	1 187	3 923	6 012	3 640	45.3%	2.0%	4 541	5 005	5 235	12.9%	2.1%
Contractors	2 050	1 399	800	1 914	-2.3%	0.8%	4 770	2 664	1 327	-11.5%	1.2%
Agency and support / outsourced services	1 541	1 305	32	3 340	29.4%	0.8%	5 900	6 254	4 942	14.0%	2.3%
Entertainment	32	12	-	846	197.9%	0.1%	50	53	56	-59.5%	0.1%
Fleet services (including government motor transport)	41	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Food and food supplies	13	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	105	70	84	78	-9.4%	-	79	84	88	4.1%	-
Inventory: Learner and teacher support material	-	2	1	9	-	-	10	12	13	13.0%	-
Inventory: Materials and supplies	32	18	52	27	-5.5%	-	28	24	25	-2.5%	-
Inventory: Medical supplies	3	13	12	12	58.7%	-	12	8	8	-12.6%	-
Inventory: Other consumables	376	167	805	272	-10.2%	0.2%	279	296	309	4.3%	0.1%
Inventory: Stationery and printing	1 929	2 545	2 844	4 327	30.9%	1.5%	4 322	4 533	4 411	0.6%	2.0%
Operating leases	4 784	7 346	1 255	3 224	-12.3%	2.2%	3 491	3 894	4 104	8.4%	1.7%
Property payments	34 883	37 219	36 964	37 221	2.2%	19.4%	39 078	41 335	43 136	5.0%	18.3%
Transport provided: Departmental activity	-	-	-	274	-	-	278	295	309	4.1%	0.1%
Travel and subsistence	31 214	14 550	13 922	15 514	-20.8%	10.0%	13 463	13 187	13 300	-5.0%	6.3%
Training and development	715	222	806	1 729	34.2%	0.5%	1 835	1 935	1 965	4.4%	0.9%
Operating payments	831	663	974	861	1.2%	0.4%	1 104	1 209	1 306	14.9%	0.5%
Venues and facilities	2 595	586	1 324	3 022	5.2%	1.0%	3 148	2 398	2 437	-6.9%	1.3%
Interest and rent on land	176	101	81	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 760</b>	<b>120</b>	<b>7 243</b>	<b>260</b>	<b>-54.5%</b>	<b>1.4%</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-27.3%</b>	<b>0.1%</b>
Provinces and municipalities	11	16	14	100	108.7%	-	100	100	100	-	-
Households	2 749	104	7 229	160	-61.2%	1.4%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>3 624</b>	<b>519</b>	<b>2 636</b>	<b>4 780</b>	<b>9.7%</b>	<b>1.5%</b>	<b>3 140</b>	<b>3 735</b>	<b>3 908</b>	<b>-6.5%</b>	<b>1.8%</b>
Machinery and equipment	3 624	519	2 636	4 780	9.7%	1.5%	3 140	3 735	3 908	-6.5%	1.8%
<b>Payments for financial assets</b>	<b>265</b>	<b>272</b>	<b>1 193</b>	<b>88</b>	<b>-30.8%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
<b>Total</b>	<b>179 330</b>	<b>169 532</b>	<b>206 081</b>	<b>197 505</b>	<b>3.3%</b>	<b>100.0%</b>	<b>218 975</b>	<b>227 128</b>	<b>233 485</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>			<b>0.4%</b>	<b>0.4%</b>	<b>0.3%</b>		

## Details of transfers and subsidies

<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>11</b>	<b>16</b>	<b>14</b>	<b>100</b>	<b>108.7%</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>
Municipal services	-	7	-	-	-	-	-	-	-	-	-
Vehicle licences	11	9	14	100	108.7%	-	100	100	100	-	-
<b>Social benefits</b>											
<b>Current</b>	<b>2 749</b>	<b>104</b>	<b>7 229</b>	<b>160</b>	<b>-61.2%</b>	<b>1.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Employee social benefits	2 749	104	7 229	160	-61.2%	1.4%	-	-	-	-100.0%	-

## Personnel information

**Table 3.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Administration</b>																			
Salary level	257	–	218	104.0	0.5	198	83.4	0.4	252	102.5	0.4	252	108.3	0.4	252	115.4	0.5	8.4%	100.0%
1 – 6	119	–	56	9.3	0.2	59	9.3	0.2	110	19.2	0.2	110	20.1	0.2	110	22.3	0.2	23.1%	40.8%
7 – 10	50	–	55	15.7	0.3	53	13.5	0.3	54	15.6	0.3	54	16.5	0.3	54	17.3	0.3	0.6%	22.5%
11 – 12	36	–	30	14.3	0.5	35	17.9	0.5	35	19.2	0.5	35	20.3	0.6	35	21.3	0.6	–	14.7%
13 – 16	52	–	77	64.7	0.8	51	42.8	0.8	53	48.5	0.9	53	51.5	1.0	53	54.5	1.0	1.3%	22.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on compensation of employees and goods and services. The bulk of spending on goods and services goes towards property and operating payments, advertising, consultants and professional services in terms of business and advisory services, including legal costs. The expected outcomes from this spending are improved governance processes, support to municipalities in the implementation of the local government turnaround strategy, and improved local government monitoring and reporting systems.

Spending in the *Ministry* subprogramme decreased from R43 million in 2009/10 to R24.9 million in 2012/13 as personnel contracts brought in by the previous minister ended. The spending fluctuation in the *Corporate Services* subprogramme between 2009/12 and 2012/13 was due to personnel being displaced by the organisational restructuring. Spending on compensation of employees increased in 2010/11 and 2011/12, as the monitoring and evaluation function was shifted to this office from the *Policy, Research and Knowledge Management* programme. The delivery of flagship projects such as Operation Clean Audit 2014, the Clean Cities and Towns campaign and the Business Adopt-a-Municipality initiative were shifted to other programmes.

As part of the Cabinet approved budget reductions, the department has effected reductions in spending R20.9 million over the medium term. The reductions were mainly in spending on non-core goods and services items such as consultants, catering, and venues and facilities, as the department will hold a greater number of meetings in-house, without catering.

The programme has a funded establishment of 257 posts and there were no vacancies as at 30 September 2012. The department plans to maintain this establishment over the medium term. Expenditure on consultant services in this period is for drafting the communication strategy to support the implementation of the flagship projects.

## Programme 2: Policy, Research and Knowledge Management

### Objectives

- Improve accountability in municipalities by planning, developing and implementing a knowledge and information management strategy to ensure high quality information by March 2014.
- Enhance efficiency and effectiveness of ICT within the department through ongoing provision of ICT support and maintenance services.
- Improve the use and corporate governance of information communication technology in municipalities through the development of an ICT policy framework by March 2014.

## Subprogrammes

- *Management: Research and Policy* provides strategic leadership to the programme. This subprogramme had a staff complement of 5 in 2012/13.
- *Policy and Research Methods* provides technical policy and research support to the department aimed at improving the service delivery performance of municipalities, fosters compliance with legislation, conducts research on key challenges facing local government, and develops and updates profiles of municipalities in support of political visits to areas. In 2012/13, weekly research alerts were provided to the department, which highlighted events in the municipal and provincial environment regarding service delivery, local economic development and public participation matters. Over the medium term, the subprogramme will align policy development with the local government turnaround strategy by developing quarterly reports annually on governance, service delivery issues and financial management issues at municipalities. This subprogramme had a staff complement of 7 in 2012/13.
- *Knowledge and Information Management* provides knowledge and information management products and services in local government, and ensures the facilitation of appropriate knowledge and information management. This subprogramme had a staff complement of 14 in 2012/13.
- *Information, Communication and Business Technology* provides support and deploys ICT infrastructure in the department such as data warehouses, databases and data storing facilities; and improves the department's ICT infrastructure. This subprogramme had a staff complement of 21 in 2012/13.

## Expenditure estimates

**Table 3.7 Policy, Research and Knowledge Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R thousand											
Management: Research and Policy	2 938	1 874	2 780	3 200	2.9%	6.4%	4 490	4 250	5 121	17.0%	8.2%
Policy and Research Methods	13 475	1 753	6 609	8 579	-14.0%	18.1%	5 966	6 846	6 589	-8.4%	13.5%
Knowledge and Information Management	12 185	13 179	7 780	10 535	-4.7%	26.1%	9 245	9 983	12 625	6.2%	20.4%
Information, Communication and Business Technology	16 351	18 627	20 766	26 979	18.2%	49.4%	29 791	31 252	32 471	6.4%	58.0%
<b>Total</b>	<b>44 949</b>	<b>35 433</b>	<b>37 935</b>	<b>49 293</b>	<b>3.1%</b>	<b>100.0%</b>	<b>49 492</b>	<b>52 331</b>	<b>56 806</b>	<b>4.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				3 222			744	350	56 806		

### Economic classification

	2009/10	2010/11	2011/12	2012/13	Average growth rate (%)	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average growth rate (%)
<b>Current payments</b>	<b>44 335</b>	<b>30 883</b>	<b>33 521</b>	<b>43 487</b>	<b>-0.6%</b>	<b>90.8%</b>	<b>43 242</b>	<b>45 631</b>	<b>49 796</b>	<b>4.6%</b>	<b>87.6%</b>
Compensation of employees	24 179	13 214	20 191	22 005	-3.1%	47.5%	18 919	20 077	25 294	4.8%	41.5%
Goods and services	20 156	17 669	13 330	21 482	2.1%	43.3%	24 323	25 554	24 502	4.5%	46.1%
of which:											
Administration fees	141	-	-	-	-100.0%	0.1%	-	-	-	-	-
Advertising	-	9	11	353	-	0.2%	315	336	350	-0.3%	0.7%
Assets less than the capitalisation threshold	444	93	578	616	11.5%	1.0%	130	137	144	-38.4%	0.5%
Catering: Departmental activities	270	82	106	561	27.6%	0.6%	539	628	698	7.6%	1.2%
Communication	353	341	492	3 356	111.8%	2.7%	4 853	5 106	5 339	16.7%	9.0%
Computer services	7 380	10 213	7 513	5 464	-9.5%	18.2%	7 348	7 182	6 459	5.7%	12.7%
Consultants and professional services: Business and advisory services	3 805	1 590	1 837	2 266	-15.9%	5.7%	2 750	3 091	2 166	-1.5%	4.9%
Consultants and professional services: Legal costs	509	-	-	-	-100.0%	0.3%	-	-	-	-	-
Contractors	61	2 360	383	579	111.7%	2.0%	550	550	575	-0.2%	1.1%
Agency and support / outsourced services	259	206	-	409	16.5%	0.5%	427	451	477	5.3%	0.8%
Entertainment	8	-	-	22	40.1%	-	23	24	25	4.4%	-
Inventory: Food and food supplies	5	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	2	2	28	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	31	-	3	-	-100.0%	-	-	-	-	-	-
Inventory: Other consumables	1	4	3	6	81.7%	-	7	7	7	5.3%	-
Inventory: Stationery and printing	1 772	1 201	1 072	2 111	6.0%	3.7%	2 402	2 770	2 895	11.1%	4.9%
Operating leases	211	126	51	144	-12.0%	0.3%	151	160	167	5.1%	0.3%
Travel and subsistence	3 863	1 235	1 100	3 959	0.8%	6.1%	3 741	3 538	3 464	-4.4%	7.1%
Training and development	256	24	40	293	4.6%	0.4%	308	327	343	5.4%	0.6%
Operating payments	144	3	38	405	41.2%	0.4%	96	451	472	5.2%	0.7%
Venues and facilities	641	180	75	938	13.5%	1.1%	683	796	921	-0.6%	1.6%

**Table 3.7 Policy, Research and Knowledge Management (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Payments for capital assets	614	4 550	4 414	5 806	111.5%	9.2%	6 250	6 700	7 010	6.5%	12.4%
Machinery and equipment	614	4 550	4 414	5 806	111.5%	9.2%	5 500	5 700	7 010	6.5%	11.6%
Software and other intangible assets	-	-	-	-	-	-	750	1 000	-	-	0.8%
<b>Total</b>	<b>44 949</b>	<b>35 433</b>	<b>37 935</b>	<b>49 293</b>	<b>3.1%</b>	<b>100.0%</b>	<b>49 492</b>	<b>52 331</b>	<b>56 806</b>	<b>4.8%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.1%			0.1%	0.1%	0.1%		

## Personnel information

**Table 3.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Policy, Research and Knowledge Management	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost
Salary level	50	-	48	19.5	0.4	47	22.0	0.5	46	18.9	0.4	46	20.1	0.4	46	25.3	0.5	-0.7%	100.0%
1 - 6	17	-	14	2.2	0.2	15	7.2	0.5	15	4.4	0.3	15	4.9	0.3	15	9.3	0.6	-	32.4%
7 - 10	13	-	12	3.4	0.3	14	2.8	0.2	14	2.9	0.2	14	3.1	0.2	14	3.2	0.2	-	30.3%
11 - 12	10	-	11	5.1	0.5	9	4.4	0.5	9	4.6	0.5	9	4.9	0.5	9	5.1	0.6	-	19.5%
13 - 16	10	-	11	8.8	0.8	9	7.6	0.8	8	6.9	0.9	8	7.3	0.9	8	7.6	1.0	-3.9%	17.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on compensation of employees and goods and services. The bulk of this programme's spending is on goods and services, specifically on fixed and mobile phone allowances, computer services, machinery and equipment. The expected outcomes from spending on these items are a total of 16 policy and research papers on governance, which will contribute to improved service delivery and financial management. This will also add value to the success of the local government turnaround strategy.

Spending in the *Information, Communication and Business Technology* subprogramme increased significantly in 2012/13 as an IT communications and marketing plan was developed and implemented, as was a master systems plan, both requiring the use of additional staff. Spending on compensation of employees decreased in 2010/11 and 2011/12 due to the shifting of 3 monitoring and evaluation employees from this programme to the *Administration* programme to support the municipal monitoring and evaluation unit in the *Chief Operating Officer* subprogramme. The decrease in expenditure in the *Policy and Research Methods* subprogramme between 2009/10 and 2012/13 was due to the shift of library services personnel to the *Information, Communication and Business Technology* subprogramme.

Expenditure is expected to increase over the medium term as a planned IT system review is developed, being informed by the master systems plan; and existing software and hardware are renewed and upgraded. As part of the Cabinet approved budget reductions, the department will reduce spending by R3.1 million over the medium term. These reductions will be effected in spending on non-core goods and services items such as consultants, catering, and venues and facilities, as the department will hold more meetings in-house without catering.

The programme has a funded establishment of 50 posts and there were no vacancies as at 30 September 2012. The numbers are likely to stay fairly constant over the medium term. Expenditure on consultant services in this period is for the upgrade of the department's ICT integration and knowledge management system.

## Programme 3: Governance and Intergovernmental Relations

### Objectives

- Improve the regulatory environment for effective oversight and interventions practice of national government over provincial and local government through the introduction of the Intergovernmental Monitoring, Support and Interventions Bill by March 2014.
- Promote good governance and public participation by strengthening the functionality of ward committees through implementing the funding model for municipalities in grades 1 to 3 by March 2014.
- Strengthen intergovernmental fiscal relations by managing the municipal infrastructure, municipal systems improvement and local government equitable share grants in line with the Division of Revenue Act on a continuous basis.

### Subprogrammes

- *Management: Governance* provides strategic leadership and management to the programme. Key activities in 2012/13 included establishing municipal public accounts committees in all provinces and municipalities to strengthen financial management by improving oversight over financial affairs, and combating and fighting corruption through conducting ethics seminars and training at local government level. Over the medium term, the subprogramme will implement credit control and debt collection policies as a measure for improving financial management at 30 municipalities. This subprogramme had a staff complement of 10 in 2012/13.
- *Intergovernmental Relations Coordination* administers the Intergovernmental Relations Framework Act (2005). Key activities in 2012/2013 included conducting a monitoring survey to assess the functionality of forums for district intergovernmental relations frameworks, and producing a report with recommendations for strengthening the forums' functionality. Over the medium term, the Intergovernmental Relations Framework Act (2005) will be revised to strengthen the governance arrangements for policy on cooperative governance. This subprogramme had a staff complement of 7 in 2012/13.
- *Intergovernmental Fiscal Relations* strengthens intergovernmental fiscal relations through equitable share transfers, manages conditional grant transfers to municipalities, monitors the financial viability of municipalities and provinces, and manages the Municipal Property Rates Act (2004). Key outputs in 2012/13 included finalising the development of draft amendments to the Municipal Property Rates Act (2004), paying 3 456 non-returning councillors and supporting municipalities in implementing the municipal infrastructure grant. Key activities in 2013/14 will include providing assistance to municipalities in implementing the grant and supporting Parliament in processing the Municipal Property Rates Amendment Bill after Cabinet approves the bill's introduction into Parliament, when required. This subprogramme had a staff complement of 23 in 2012/13.
- *Governance and Public Participation* promotes an environment for good governance and public participation by supporting provinces and municipalities in strengthening their governance and coordinating capabilities. Key activities in 2012/13 included developing a refined legislative framework for ward committees and community participation, and supporting 6 provinces in developing provincial frameworks that will be implemented in all municipalities. Key activities over the medium term include developing and implementing ward level operational plans at 2 000 wards to ensure the functionality of ward committees. This subprogramme had a staff complement of 6 in 2012/13.
- *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's total budget is transferred in full to the association. This subprogramme has no staff complement.

- *Municipal Demarcation Board* transfers funds to the Municipal Demarcation Board, which is a constitutional body established in terms of the Municipal Demarcation Board Act (1998). The board uses the transfers to fund operational activities, including capacity assessments, ward delimitation and boundary redetermination. This subprogramme's total budget is transferred in full to the board. This subprogramme has no staff complement.
- *South African Cities Network* transfers funds to the South African Cities Network, which enables cooperation between South African cities and maximises benefits through exchanging information. This subprogramme's total budget is transferred in full to the network. This subprogramme has no staff complement.
- *United Cities and Local Government of Africa* transfers funds to 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. This subprogramme's total budget is transferred in full to the association. This subprogramme has no staff complement.
- *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 supplements municipal revenue in providing free basic services to poor households, and for funding the institutional capacity and support for weaker municipalities in poorer areas. This subprogramme's total budget is transferred in full to municipalities. This subprogramme has no staff complement.

## Expenditure estimates

**Table 3.9 Governance and Intergovernmental Relations**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Management: Governance	–	18 547	4 098	4 824	–	–	16 231	17 049	17 727	54.3%	–
Intergovernmental Relations Coordination	6 017	1 453	3 623	9 536	16.6%	–	9 983	10 415	10 842	4.4%	–
Intergovernmental Fiscal Relations	8 122	8 362	17 352	142 805	160.0%	0.1%	13 459	14 102	14 678	-53.2%	0.1%
Governance and Public Participation	10 037	978	2 758	6 215	-14.8%	–	5 998	6 292	6 593	2.0%	–
South African Local Government Association	23 302	49 125	25 486	26 726	4.7%	0.1%	25 999	26 904	27 855	1.4%	0.1%
Municipal Demarcation Board	34 557	37 187	38 482	40 362	5.3%	0.1%	42 152	44 230	45 793	4.3%	0.1%
South African Cities Network	4 815	5 104	5 282	5 540	4.8%	–	5 786	6 071	6 286	4.3%	–
United Cities and Local Government of Africa	4 500	2 364	434	2 485	-18.0%	–	5 331	5 594	5 792	32.6%	–
Local Government Equitable Share	23 845 464	30 540 558	33 173 239	37 873 396	16.7%	99.6%	40 581 787	44 490 145	50 207 698	9.9%	99.6%
<b>Total</b>	<b>23 936 814</b>	<b>30 663 678</b>	<b>33 270 754</b>	<b>38 111 889</b>	<b>16.8%</b>	<b>100.0%</b>	<b>40 706 726</b>	<b>44 620 802</b>	<b>50 343 264</b>	<b>9.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				129 963			12 167	862 852	50 343 264		
<b>Economic classification</b>											
<b>Current payments</b>	<b>24 176</b>	<b>29 329</b>	<b>22 909</b>	<b>32 732</b>	<b>10.6%</b>	<b>0.1%</b>	<b>45 651</b>	<b>47 838</b>	<b>49 817</b>	<b>15.0%</b>	<b>0.1%</b>
Compensation of employees	16 947	18 273	17 347	18 663	3.3%	0.1%	25 346	25 684	26 926	13.0%	0.1%
Goods and services	7 229	11 056	5 562	14 069	24.9%	–	20 305	22 154	22 891	17.6%	–
of which:											
Advertising	299	–	13	28	-54.6%	–	139	32	33	5.6%	–
Assets less than the capitalisation threshold	30	–	–	35	5.3%	–	35	35	487	140.5%	–
Catering: Departmental activities	736	174	48	618	-5.7%	–	1 199	1 289	938	14.9%	–
Communication	238	204	196	443	23.0%	–	466	462	476	2.4%	–
Computer services	139	–	103	–	-100.0%	–	360	339	2 658	–	–
Consultants and professional services: Business and advisory services	1 794	3 443	2 969	4 095	31.7%	–	6 926	6 965	4 633	4.2%	–
Consultants and professional services: Legal costs	–	–	40	–	–	–	–	–	–	–	–
Contractors	670	530	–	1 038	15.7%	–	1 102	1 150	1 204	5.1%	–
Agency and support / outsourced services	240	76	–	588	34.8%	–	633	665	731	7.5%	–
Entertainment	–	–	–	5	–	–	5	5	5	–	–
Inventory: Materials and supplies	–	–	–	2	–	–	2	2	2	–	–
Inventory: Other consumables	–	–	2	30	–	–	30	32	33	3.2%	–
Inventory: Stationery and printing	608	659	301	904	14.1%	–	1 456	1 280	1 570	20.2%	–
Operating leases	213	126	2	38	-43.7%	–	44	402	54	12.4%	–
Travel and subsistence	1 965	5 609	1 315	4 472	31.5%	–	4 939	6 539	6 645	14.1%	–
Training and development	48	9	26	176	54.2%	–	192	204	213	6.6%	–
Operating payments	29	16	192	43	14.0%	–	49	55	258	81.7%	–
Venues and facilities	220	210	355	1 554	91.9%	–	2 728	2 698	2 951	23.8%	–

Table 3.9 Governance and Intergovernmental Relations (continued)

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R thousand	23 912 638	30 634 338	33 247 845	38 079 137	16.8%	99.9%	40 661 055	44 572 944	50 293 424	9.7%	99.9%	
<b>Transfers and subsidies</b>												
Provinces and municipalities	23 845 464	30 540 558	33 173 239	37 873 396	16.7%	99.6%	40 581 787	44 490 145	50 207 698	9.9%	99.6%	
Departmental agencies and accounts	57 859	86 312	63 968	67 088	5.1%	0.2%	68 151	71 134	73 648	3.2%	0.2%	
Non-profit institutions	9 315	7 468	5 716	8 025	-4.8%	-	11 117	11 665	12 078	14.6%	-	
Households	-	-	4 922	130 628	-	0.1%	-	-	-	-100.0%	0.1%	
<b>Payments for capital assets</b>												
Machinery and equipment	-	11	-	20	-	-	20	20	23	4.8%	-	
<b>Total</b>	<b>23 936 814</b>	<b>30 663 678</b>	<b>33 270 754</b>	<b>38 111 889</b>	<b>16.8%</b>	<b>100.0%</b>	<b>40 706 726</b>	<b>44 620 802</b>	<b>50 343 264</b>	<b>9.7%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>71.1%</b>	<b>73.3%</b>	<b>72.0%</b>	<b>69.5%</b>			<b>69.9%</b>	<b>70.5%</b>	<b>72.0%</b>			

**Details of transfers and subsidies**

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
<b>Current</b>	<b>57 859</b>	<b>86 312</b>	<b>63 968</b>	<b>67 088</b>	<b>5.1%</b>	<b>0.2%</b>	<b>68 151</b>	<b>71 134</b>	<b>73 648</b>	<b>3.2%</b>	<b>0.2%</b>
South African Local Government Association	23 302	49 125	25 486	26 726	4.7%	0.1%	25 999	26 904	27 855	1.4%	0.1%
Municipal Demarcation Board	34 557	37 187	38 482	40 362	5.3%	0.1%	42 152	44 230	45 793	4.3%	0.1%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>23 845 464</b>	<b>30 540 558</b>	<b>33 173 239</b>	<b>37 873 396</b>	<b>16.7%</b>	<b>99.6%</b>	<b>40 581 787</b>	<b>44 490 145</b>	<b>50 207 698</b>	<b>9.9%</b>	<b>99.6%</b>
Local government equitable share	23 845 464	30 540 558	33 173 239	37 873 396	16.7%	99.6%	40 581 787	44 490 145	50 207 698	9.9%	99.6%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>9 315</b>	<b>7 468</b>	<b>5 716</b>	<b>8 025</b>	<b>-4.8%</b>	<b>-</b>	<b>11 117</b>	<b>11 665</b>	<b>12 078</b>	<b>14.6%</b>	<b>-</b>
South African Cities Network	4 815	5 104	5 282	5 540	4.8%	-	5 786	6 071	6 286	4.3%	-
United Cities and Local Government of Africa	4 500	2 364	434	2 485	-18.0%	-	5 331	5 594	5 792	32.6%	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>4 922</b>	<b>130 628</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
Ex-councillors	-	-	4 922	130 628	-	0.1%	-	-	-	-100.0%	0.1%

**Personnel information**Table 3.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Governance and Intergovernmental Relations	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
<b>Salary level</b>	<b>41</b>	<b>-</b>	<b>42</b>	<b>19.0</b>	<b>0.5</b>	<b>40</b>	<b>18.7</b>	<b>0.5</b>	<b>45</b>	<b>25.3</b>	<b>0.6</b>	<b>45</b>	<b>25.7</b>	<b>0.6</b>	<b>45</b>	<b>26.9</b>	<b>0.6</b>	<b>4.0%</b>	<b>100.0%</b>
1 – 6	6	-	6	1.1	0.2	7	1.5	0.2	8	3.1	0.4	8	2.3	0.3	8	2.4	0.3	4.6%	17.7%
7 – 10	8	-	11	3.1	0.3	10	2.3	0.2	10	2.8	0.3	10	2.9	0.3	10	3.0	0.3	-	22.9%
11 – 12	15	-	12	5.8	0.5	12	6.1	0.5	12	6.6	0.5	12	6.9	0.6	12	7.3	0.6	-	27.4%
13 – 16	12	-	13	9.0	0.7	11	8.8	0.8	15	12.9	0.9	15	13.6	0.9	15	14.2	0.9	10.9%	32.0%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be on compensation of employees, goods and services and transfers in the United Cities and Local Government of Africa, Local Government Equitable Share, Management Governance and Intergovernmental Relations Coordination subprogrammes. Transfers from the local government equitable share will be used to cover municipalities' operational costs.

Between 2009/10 and 2012/13, expenditure increased due to an increased allocation for the local government equitable share to expand free basic services to municipalities. Expenditure in the Intergovernmental Fiscal

Relations subprogramme increased significantly over this period due to a rollover allocation in 2012/13 for once-off gratuity payments to non-returning councillors. In 2012/13, the Municipal Property Rates Amendment Bill was approved by Parliament and published for comments. This led to increased spending on goods and services, particularly on travel and subsistence and on venues and facilities between 2009/10 and 2012/13. Together with National Treasury, in 2012/13 the department developed and issued guidelines for the establishment of municipal public account committees. This again resulted in increased spending on goods and services, particularly on travel and as venues and facilities. The number of established committees increased to the current 278 municipalities in 2012/13 as part of the improvement of municipal audit outcomes.

The increase in spending in the programme over the medium term is due to additional allocations to the Local Government Equitable Share subprogramme. Spending in the Intergovernmental Relations Coordination subprogramme will assist in providing support to 278 municipalities. The municipalities will be supported with the implementation of the revised national ward framework on funding municipal wards and the development of critical master system planned interventions.

The programme has a funded establishment of 41 posts and there were no vacancies as at 30 September 2012. The department plans to maintain this establishment over the medium term. Expenditure on consulting services in this period is for technical and legal expertise required to review the legislation.

## **Programme 4: Disaster Response Management**

### **Objectives**

- Support the establishment and operation of effective fire services by:
  - enhancing the fire services legislative framework by March 2014
  - developing a draft bill on fire brigade services to ensure that legislation responds to changing conditions by March 2014.
- Strengthen and update the disaster management legislative system by developing related regulations which enable a standardised approach, ensuring efficient and effective disaster management processes across all spheres of government by March 2014.
- Enhance and strengthen capacity in the disaster risk management fraternity by developing and implementing an integrated national disaster management education and training framework by March 2014.

### **Subprogrammes**

- *Management: Head of Disaster* oversees the performance, management and monitoring of this programme. This subprogramme had a staff complement of 5 in 2012/13.
- *Legislation, Policy and Compliance Management* develops and provides implementation support for disaster management, and fire service policies and legislative frameworks across all spheres of government. In 2012/13, the focus was on supporting the establishment and functionality of disaster management centres, the Disaster Management Act (2002) was reviewed, and a discussion paper on new legislation for fire brigade services was developed. Over the medium term, this subprogramme will develop a white paper on fire services aimed at improving the provision and coordination of fire services. This subprogramme had a staff complement of 7 in 2012/13.
- *Planning Coordination and Support* develops and implements disaster management operational systems, and coordinates disaster management capacity building and strategic research across all three spheres of government. In 2012/13, bursaries for disaster risk management were awarded to identified students; the national disaster risk management education and training framework was implemented; the Jamba: Journal of Disaster Risk Studies was funded; and public awareness campaigns were rolled out and consultants were appointed for the independent assessment and verification of disaster damages and aerial support to municipalities. Over the medium term, workshops will be held in district municipalities to disseminate information on how to classify and declare disasters. This subprogramme had a staff complement of 11 in 2012/13.
- *Intelligence and Information Systems Management* guides the development of a comprehensive information management and communication system, and establishes integrated communication links with all disaster

risk management role players. In 2012/13, the disaster risk management intelligence and capability system that will preserve and manage information that is accessible to provinces and municipal agencies was implemented. Over the medium term, this subprogramme will provide a macro profile on risk and vulnerability for floods to support planning and coordination of disaster relief measures. This subprogramme had a staff complement of 10 in 2012/13.

- *Disaster Relief Transfers* is a conditional grant that aims to provide immediate relief after disasters without any scientific assessment. Transfers are made only when a disaster has been declared. In 2012/13, transfers for disasters that occurred in Limpopo and Mpumalanga due to flooding amounted to R47 million. Transfers for provincial disasters of R197.3 million and R363.5 million over the medium term for municipal disasters have been allocated. This subprogramme has no staff complement.

## Expenditure estimates

**Table 3.11 Disaster Response Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2012/13 - 2013/14	2013/14	2014/15	2015/16	2012/13 - 2015/16
R thousand											
Management: Head of Disaster	17 537	8 642	8 620	3 024	-44.3%	3.6%	5 754	6 027	6 328	27.9%	0.9%
Legislation, Policy and Compliance Management	6 804	41 218	6 473	7 307	2.4%	5.9%	7 581	6 186	6 474	-4.0%	1.2%
Planning Coordination and Support	12 530	1 596	12 768	12 789	0.7%	3.8%	13 452	13 906	14 318	3.8%	2.3%
Intelligence and Information Systems Management	25 310	16 710	5 514	22 272	-4.2%	6.7%	23 669	26 435	27 420	7.2%	4.2%
Disaster Relief Transfers	60 800	214 926	47 283	510 000	103.2%	79.9%	534 600	560 952	580 768	4.4%	91.5%
<b>Total</b>	<b>122 981</b>	<b>283 092</b>	<b>80 658</b>	<b>555 392</b>	<b>65.3%</b>	<b>100.0%</b>	<b>585 056</b>	<b>613 506</b>	<b>635 308</b>	<b>4.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				167			(1 871)	(8 567)	635 308		
<b>Economic classification</b>											
<b>Current payments</b>	<b>44 353</b>	<b>56 933</b>	<b>32 885</b>	<b>43 213</b>	<b>-0.9%</b>	<b>17.0%</b>	<b>48 281</b>	<b>50 207</b>	<b>52 091</b>	<b>6.4%</b>	<b>8.1%</b>
Compensation of employees	6 247	6 592	15 958	15 239	34.6%	4.2%	19 895	20 801	21 930	12.9%	3.3%
Goods and services	38 106	50 341	16 927	27 974	-9.8%	12.8%	28 386	29 406	30 161	2.5%	4.9%
of which:											
Administration fees	-	1	2	-	-	-	-	-	-	-	-
Advertising	152	90	234	278	22.3%	0.1%	51	54	56	-41.4%	-
Assets less than the capitalisation threshold	12	5 404	87	89	95.0%	0.5%	207	221	242	39.6%	-
Bursaries: Employees	-	-	955	2 000	-	0.3%	2 000	2 000	2 000	-	0.3%
Catering: Departmental activities	145	107	336	504	51.5%	0.1%	451	276	294	-16.4%	0.1%
Communication	249	93	227	305	7.0%	0.1%	390	409	387	8.3%	0.1%
Computer services	13 392	21 199	9 248	6 233	-22.5%	4.8%	7 050	7 646	8 162	9.4%	1.2%
Consultants and professional services: Business and advisory services	11 793	11 175	913	3 873	-31.0%	2.7%	8 860	10 004	10 019	37.3%	1.4%
Contractors	97	177	-	-	-100.0%	-	-	-	-	-	-
Agency and support / outsourced services	-	21	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	8	-	-	10	11	14	20.5%	-
Inventory: Food and food supplies	37	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	2	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	2	24	1	-	-100.0%	-	-	-	-	-	-
Inventory: Other consumables	-	124	8	5	-	-	500	523	549	378.9%	0.1%
Inventory: Stationery and printing	1 424	172	523	1 224	-4.9%	0.3%	301	277	279	-38.9%	0.1%
Operating leases	7 931	9 617	732	8 072	0.6%	2.5%	3 780	3 644	3 622	-23.4%	0.8%
Property payments	-	-	-	11	-	-	-	-	-	-100.0%	-
Travel and subsistence	1 465	1 120	3 083	3 642	35.5%	0.9%	3 931	3 534	3 686	0.4%	0.6%
Training and development	653	234	36	311	-21.9%	0.1%	403	424	446	12.8%	0.1%
Operating payments	293	450	14	25	-56.0%	0.1%	26	27	28	3.8%	-
Venues and facilities	459	333	528	414	-3.4%	0.2%	426	356	377	-3.1%	0.1%
Rental and hiring	-	-	-	980	-	0.1%	-	-	-	-100.0%	-
<b>Transfers and subsidies</b>	<b>75 186</b>	<b>214 398</b>	<b>47 283</b>	<b>510 029</b>	<b>89.3%</b>	<b>81.3%</b>	<b>534 600</b>	<b>560 952</b>	<b>580 768</b>	<b>4.4%</b>	<b>91.5%</b>
Provinces and municipalities	75 186	214 398	47 283	510 000	89.3%	81.3%	534 600	560 952	580 768	4.4%	91.5%
Households	-	-	-	29	-	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>3 442</b>	<b>11 761</b>	<b>490</b>	<b>2 150</b>	<b>-14.5%</b>	<b>1.7%</b>	<b>2 175</b>	<b>2 347</b>	<b>2 449</b>	<b>4.4%</b>	<b>0.4%</b>
Machinery and equipment	3 442	11 761	490	2 150	-14.5%	1.7%	2 175	2 347	2 449	4.4%	0.4%
<b>Total</b>	<b>122 981</b>	<b>283 092</b>	<b>80 658</b>	<b>555 392</b>	<b>65.3%</b>	<b>100.0%</b>	<b>585 056</b>	<b>613 506</b>	<b>635 308</b>	<b>4.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.4%</b>	<b>0.7%</b>	<b>0.2%</b>	<b>1.0%</b>			<b>1.0%</b>	<b>1.0%</b>	<b>0.9%</b>		

Table 3.11 Disaster Response Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	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	75 186	–	32 147	330 000	63.7%	42.0%	346 500	363 580	376 424	4.5%	59.3%
Disaster Management World Cup Transfer to Municipalities	14 386	–	–	–	-100.0%	1.4%	–	–	–	–	–
Municipal disaster grant	60 800	–	32 147	330 000	75.7%	40.6%	346 500	363 580	376 424	4.5%	59.3%
Households											
Other transfers to households											
Current	–	–	–	29	–	–	–	–	–	-100.0%	–
Employee social benefits: Mrs M Human	–	–	–	29	–	–	–	–	–	-100.0%	–
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	–	214 398	15 136	180 000	–	39.3%	188 100	197 372	204 344	4.3%	32.2%
Provincial disaster grant	–	214 398	15 136	180 000	–	39.3%	188 100	197 372	204 344	4.3%	32.2%

## Personnel information

Table 3.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment														Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Disaster Response Management	31	–	30	18.8	0.6	29	15.2	0.5	32	19.9	0.6	32	20.8	0.7	32	21.9	0.7	3.3%	100.0%
Salary level	3	–	3	0.6	0.2	3	1.0	0.3	3	2.2	0.7	3	2.4	0.8	3	2.6	0.9	–	9.6%
1 – 6	10	–	6	1.8	0.3	9	2.3	0.3	9	2.5	0.3	9	2.5	0.3	9	2.7	0.3	–	28.8%
7 – 10	8	–	4	2.0	0.5	8	4.3	0.5	8	4.6	0.6	8	4.7	0.6	8	4.9	0.6	–	25.6%
11 – 12	10	–	17	14.5	0.9	9	7.7	0.9	12	10.7	0.9	12	11.2	0.9	12	11.8	1.0	10.1%	36.0%
13 – 16																			

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing immediate relief for disasters through the disaster relief conditional grant, which is transferred to provinces and municipalities affected by disasters. The transfers are reflected in the *Disaster Relief Transfers* subprogramme, which is where the bulk of expenditure in this programme goes. The grant is transferred as and when disasters occur.

The department received a once-off allocation to source temporary personnel in support of the 2010 FIFA World Cup in 2009/10. This was reflected in the increased allocations in the *Management: Head of Disaster, Planning Coordination and Support* and *Intelligence and Information Systems Management* subprogrammes in that year. The significant increase in expenditure on compensation of employees between 2009/10 and 2012/13 was due to increased capacity to monitor disasters.

Spending on transfers and subsidies takes up a larger proportion of expenditure in this programme over the medium term, mainly due to a new allocation on the disaster relief grant to continue the disaster relief efforts in provinces and municipalities. This is reflected in the increase in expenditure in the *Disaster Relief Transfers* subprogramme over the MTEF period.

The programme has a funded establishment of 31 posts with no vacancies as at 30 September 2012. These numbers are likely to remain constant over the medium term. Spending on consultant services in this period is to provide for damages after the declaration of a disaster, to be independently verified and assessed, as and when disasters occur.

## Programme 5: Provincial and Municipal Government Systems

### Objectives

- Enhance municipal planning through better alignment of planning processes and development plans across all spheres of government by piloting the revised integrated development plan and holding assessment sessions on the plans in 136 municipalities by March 2014.
- Improve geographic information management by supporting 21 municipalities to build geographical information systems capacity by March 2014.
- Support provinces in discharging the mandate towards local government by providing reliable and objective information on provincial institutional capacity through the implementation of the diagnostic report outcomes by March 2014.

### Subprogrammes

- *Management: Provincial and Local Government Support* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Provincial Government Support and Intervention* aims to strengthen provincial government systems and improve their infrastructure capability; and enhance good governance within provinces for effective, efficient and responsive service delivery. In 2012/13, the subprogramme developed the provincial planning framework to support provinces in ensuring stakeholder participation during the integrated development planning process. Over the medium term, the focus will be on working with provinces during the implementation of section 106 of the Municipal Systems Act (2000) to ensure that municipalities continue to fulfil their statutory obligations through intervention teams, and monitoring provinces' ability to support municipalities in terms of section 105. This subprogramme had a staff complement of 11 in 2012/13.
- *Local Government Support and Intervention* improves and enhances institutional and administrative systems in municipalities by developing policy, legislation and other mechanisms; coordinates capacity building initiatives of the various stakeholders; and provides support to strengthen the capacity of municipalities. In 2012/13, this subprogramme will develop the national capacity building framework and implement the training programme for councillor development. Over the medium term, regulations to set uniform standards for all municipal employees will be developed and implemented, the impact of fixed term contracts of municipal managers in municipal councils will be assessed, 70 municipalities will be assisted with the development and implementation of recruitment and retention strategies. This subprogramme had a staff complement of 12 in 2012/13.
- *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. Over the medium term, an intergovernmental planning framework to improve sector participation in the intergovernmental coordination and development planning process will be developed and municipalities will be supported to build capacity in their geographical information systems. This subprogramme had a staff complement of 13 in 2012/13.
- *Municipal Systems Improvement Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems. This subprogramme's total budget is transferred in full to municipalities. This subprogramme has no staff complement.

## Expenditure estimates

Table 3.13 Provincial and Municipal Government Systems

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average
R thousand												
Management: Provincial and Local Government Support	–	2 227	9 682	27 037	–	3.9%	3 457	3 396	3 520	-49.3%	3.3%	
Provincial Government Support and Intervention	–	28 654	6 755	9 057	–	4.5%	7 128	7 400	7 681	-5.3%	2.7%	
Local Government Support and Intervention	4 616	507	7 321	10 363	30.9%	2.3%	13 636	14 899	15 854	15.2%	4.8%	
Development Planning	4 953	1 111	8 443	8 625	20.3%	2.3%	7 539	8 361	8 642	0.1%	2.9%	
Municipal Systems Improvement Grant	200 000	212 000	220 210	230 096	4.8%	87.0%	240 307	252 152	261 060	4.3%	86.3%	
<b>Total</b>	<b>209 569</b>	<b>244 499</b>	<b>252 411</b>	<b>285 178</b>	<b>10.8%</b>	<b>100.0%</b>	<b>272 067</b>	<b>286 208</b>	<b>296 757</b>	<b>1.3%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				452			(25 748)	(28 485)	296 757			

## Economic classification

<b>Current payments</b>	<b>9 516</b>	<b>32 499</b>	<b>32 193</b>	<b>55 027</b>	<b>79.5%</b>	<b>13.0%</b>	<b>31 660</b>	<b>33 956</b>	<b>35 592</b>	<b>-13.5%</b>	<b>13.7%</b>
Compensation of employees	5 349	27 447	22 912	44 294	102.3%	10.1%	18 281	21 185	22 093	-20.7%	9.3%
Goods and services	4 167	5 052	9 281	10 733	37.1%	2.9%	13 379	12 771	13 499	7.9%	4.4%
of which:											
Administration fees	–	1	–	–	–	–	–	–	–	–	–
Advertising	30	17	207	47	16.1%	–	48	50	52	3.4%	–
Assets less than the capitalisation threshold	38	–	26	137	53.3%	–	57	59	63	-22.8%	–
Catering: Departmental activities	310	568	583	457	13.8%	0.2%	1 115	198	318	-11.4%	0.2%
Communication	61	368	279	898	145.1%	0.2%	635	566	568	-14.2%	0.2%
Computer services	–	203	93	90	–	–	95	100	105	5.3%	–
Consultants and professional services:	1 668	551	1 065	1 884	4.1%	0.5%	8 274	8 704	9 105	69.1%	2.5%
Business and advisory services	–	10	294	296	–	0.1%	95	100	140	-22.1%	0.1%
Contractors	–	102	–	18	-48.8%	–	–	–	–	-100.0%	–
Agency and support / outsourced services	134	102	–	18	-48.8%	–	–	–	–	-100.0%	–
Entertainment	–	–	–	357	–	–	2	2	2	-82.2%	–
Inventory: Food and food supplies	–	–	–	12	–	–	10	10	11	-2.9%	–
Inventory: Materials and supplies	1	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Other consumables	3	1	6	19	85.0%	–	24	24	27	12.4%	–
Inventory: Stationery and printing	137	275	355	1 123	101.6%	0.2%	606	578	672	-15.7%	0.3%
Operating leases	52	97	24	121	32.5%	–	15	16	91	-9.1%	–
Travel and subsistence	1 005	2 424	5 930	3 945	57.7%	1.3%	1 667	1 515	1 505	-27.5%	0.8%
Training and development	13	31	135	199	148.3%	–	361	456	441	30.4%	0.1%
Operating payments	1	19	80	61	293.6%	–	14	14	15	-37.4%	–
Venues and facilities	714	385	204	1 069	14.4%	0.2%	361	379	384	-28.9%	0.2%
<b>Transfers and subsidies</b>	<b>200 000</b>	<b>212 000</b>	<b>220 210</b>	<b>230 096</b>	<b>4.8%</b>	<b>87.0%</b>	<b>240 307</b>	<b>252 152</b>	<b>261 060</b>	<b>4.3%</b>	<b>86.3%</b>
Provinces and municipalities	200 000	212 000	220 210	230 096	4.8%	87.0%	240 307	252 152	261 060	4.3%	86.3%
<b>Payments for capital assets</b>	<b>53</b>	<b>–</b>	<b>8</b>	<b>55</b>	<b>1.2%</b>	<b>–</b>	<b>100</b>	<b>100</b>	<b>105</b>	<b>24.1%</b>	<b>–</b>
Machinery and equipment	53	–	8	55	1.2%	–	100	100	105	24.1%	–
<b>Total</b>	<b>209 569</b>	<b>244 499</b>	<b>252 411</b>	<b>285 178</b>	<b>10.8%</b>	<b>100.0%</b>	<b>272 067</b>	<b>286 208</b>	<b>296 757</b>	<b>1.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.5%</b>			<b>0.5%</b>	<b>0.5%</b>	<b>0.4%</b>		

## Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	200 000	212 000	220 210	230 096	4.8%	87.0%	240 307	252 152	261 060	4.3%	86.3%
Municipal systems improvement grant	200 000	212 000	220 210	230 096	4.8%	87.0%	240 307	252 152	261 060	4.3%	86.3%

## Personnel information

**Table 3.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Provincial and Municipal Government Systems																			
Salary level	41	-	40	18.1	0.5	38	19.6	0.5	38	18.3	0.5	40	21.2	0.5	40	22.1	0.6	1.7%	100.0%
1 – 6	8	-	7	1.3	0.2	7	2.6	0.4	7	0.5	0.1	7	1.3	0.2	7	1.4	0.2	-	17.9%
7 – 10	13	-	13	3.7	0.3	11	3.2	0.3	11	3.4	0.3	12	3.9	0.3	12	4.0	0.3	2.9%	29.5%
11 – 12	8	-	8	3.7	0.5	8	4.0	0.5	8	4.2	0.5	8	4.4	0.5	8	4.6	0.6	-	20.5%
13 – 16	12	-	12	9.6	0.8	12	9.8	0.8	12	10.1	0.8	13	11.7	0.9	13	12.1	0.9	2.7%	32.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing and implementing a capacity building plan for 208 municipalities, which is based on the revised national capacity building framework and aligned with the local government turnaround strategy.

Between 2009/10 and 2012/13, spending on compensation of employees increased due to funds being allocated to the technical support unit, and ensuring that municipalities develop their own turnaround strategies and assume responsibility for oversight. From 2013/14, the unit will be disbanded and employees will be deployed to the community work programme and municipal infrastructure support agency. This explains the significant decrease in expenditure on compensation of employees and travel and subsistence over the medium term.

Expenditure in this programme is expected to increase only marginally over the MTEF period due to additional funding for improved conditions of service. As a cost saving measure, there will be minimal catering at meetings and the communications policy to recover telephone costs will be reviewed.

The programme has a funded establishment of 41 posts and there were no vacancies as at 30 September 2012. Personnel numbers are expected to remain at this level over the medium term. Spending on consultant services in this period provides for the maintenance of the Gapskill system, a web based skills audit system that supports the department with the capacity building initiative in municipalities.

## Programme 6: Infrastructure and Economic Development

### Objectives

- Promote economic development within local government by supporting 25 municipalities to implement local economic development programmes by March 2014.
- Improve the delivery of free basic services to households by supporting 150 municipalities in rolling out the national indigent policy for free basic services by March 2014.
- Improve the delivery of free basic services to households by supporting 150 municipalities in rolling out municipal infrastructure grant projects by March 2014.
- Contribute to alleviating poverty and unemployment by creating 162 000 work opportunities, through employing participants in the community work programme by March 2014.
- Promote greater ownership of environmental health outcomes within municipalities by coordinating the rollout of the Clean Cities and Towns initiative in 8 municipalities with key stakeholders by March 2014.

## Subprogrammes

- *Management: Infrastructure* oversees the performance, management and monitoring of this programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Local Economic Development Planning* supports the planning and implementation of local economic development programmes in provincial and local governments within the national framework. Over the medium term, the focus will be on ensuring that the private sector supports service delivery at the local government level through the Business Adopt-a-Municipality initiative, and supporting economic development by monitoring the functionality of business development forums at the municipal level. This subprogramme had a staff complement of 10 in 2012/13.
- *Infrastructure Development* supports municipalities with infrastructure planning for their capital projects as part of their integrated development plans. The focus over the medium term will be on monitoring the implementation of projects related to the municipal infrastructure grant and free basic services. This subprogramme had a staff complement of 17 in 2012/13.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure. This subprogramme's total budget is transferred in full to municipalities. This subprogramme had a staff complement of 5 in 2012/13.
- *Community Work Programme* is discussed in more detail below.
- *Special Purpose Vehicle* is discussed in more detail below.

## Expenditure estimates

**Table 3.15 Infrastructure and Economic Development**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Management: Infrastructure	–	18 997	8 986	3 053	–	0.1%	3 293	3 452	3 623	5.9%	–
Local Economic Development Planning	37 903	357	4 876	9 868	-36.1%	0.1%	9 250	9 718	10 156	1.0%	0.1%
Infrastructure Development	12 929	1 036	11 527	13 324	1.0%	0.1%	13 536	14 572	15 159	4.4%	0.1%
Municipal Infrastructure Grant	8 727 526	9 704 312	11 443 490	13 881 633	16.7%	92.5%	14 352 060	14 683 835	15 448 070	3.6%	86.5%
Community Work Programme	154 500	449 085	623 524	1 448 877	110.9%	5.7%	1 675 040	2 389 840	2 505 413	20.0%	11.9%
Special Purpose Vehicle	178 890	189 590	192 745	196 674	3.2%	1.6%	262 040	274 162	284 013	13.0%	1.5%
<b>Total</b>	<b>9 111 748</b>	<b>10 363 377</b>	<b>12 285 148</b>	<b>15 553 429</b>	<b>19.5%</b>	<b>100.0%</b>	<b>16 315 219</b>	<b>17 375 579</b>	<b>18 266 434</b>	<b>5.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				9 239			(542 894)	(1 361 706)	18 266 434		

### Economic classification

	2009/10	2010/11	2011/12	2012/13	Average growth rate (%)	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	Average growth rate (%)	Expenditure/total: Average (%)
<b>Current payments</b>	<b>114 013</b>	<b>233 538</b>	<b>279 028</b>	<b>1 671 646</b>	<b>144.8%</b>	<b>4.9%</b>	<b>1 962 999</b>	<b>2 691 594</b>	<b>2 818 209</b>	<b>19.0%</b>	<b>13.5%</b>
Compensation of employees	34 536	18 517	23 224	67 772	25.2%	0.3%	47 772	50 807	53 321	-7.7%	0.3%
Goods and services	79 477	215 021	255 804	1 603 874	172.3%	4.6%	1 915 227	2 640 787	2 764 888	19.9%	13.2%
of which:											
Administration fees	1	–	–	3	44.2%	–	3	3	3	–	–
Advertising	88	–	612	1 452	154.6%	–	11 532	11 624	11 699	100.5%	0.1%
Assets less than the capitalisation threshold	97	–	32	1 574	153.2%	–	817	868	907	-16.8%	–
Catering: Departmental activities	785	304	544	1 488	23.8%	–	1 623	1 766	1 847	7.5%	–
Communication	459	229	364	1 089	33.4%	–	11 169	11 252	11 310	118.2%	0.1%
Computer services	368	–	–	23 848	301.7%	0.1%	38 435	49 062	51 319	29.1%	0.2%
Consultants and professional services: Business and advisory services	5 993	210 436	243 706	179 840	210.8%	1.4%	240 126	251 437	260 502	13.1%	1.4%
Contractors	10	–	3 718	1 018 058	4569.4%	2.2%	1 155 694	1 815 253	1 896 395	23.0%	8.7%
Agency and support / outsourced services	985	2 878	1 176	1 206	7.0%	–	782	862	972	-6.9%	–
Entertainment	–	–	–	14	–	–	–	–	–	-100.0%	–
Inventory: Materials and supplies	63 501	1	2	350 000	76.6%	0.9%	407 850	450 000	480 000	11.1%	2.5%
Inventory: Other consumables	4	–	10	242	292.6%	–	255	270	282	5.2%	–
Inventory: Stationery and printing	647	107	189	9 096	141.4%	–	9 670	10 255	10 728	5.7%	0.1%
Operating leases	129	11	97	1 558	129.4%	–	1 647	1 756	1 827	5.5%	–
Travel and subsistence	5 171	823	3 726	13 088	36.3%	–	34 171	34 809	35 453	39.4%	0.2%
Training and development	131	6	97	161	7.1%	–	170	181	189	5.5%	–
Operating payments	36	–	78	9	-37.0%	–	9	9	9	–	–
Venues and facilities	1 072	226	1 453	1 148	2.3%	–	1 274	1 380	1 446	8.0%	–

**Table 3.15 Infrastructure and Economic Development (continued)**

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R thousand												
<b>Transfers and subsidies</b>	<b>8 997 416</b>	<b>10 129 834</b>	<b>12 006 074</b>	<b>13 881 633</b>	<b>15.6%</b>	<b>95.1%</b>	<b>14 352 060</b>	<b>14 683 835</b>	<b>15 448 070</b>	<b>3.6%</b>	<b>86.5%</b>	
Provinces and municipalities	8 727 526	9 704 312	11 443 490	13 881 633	16.7%	92.5%	14 352 060	14 683 835	15 448 070	3.6%	86.5%	
Foreign governments and international organisations	-	119	208	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	178 890	189 590	179 678	-	-100.0%	1.2%	-	-	-	-	-	
Households	91 000	235 813	382 698	-	-100.0%	1.5%	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>319</b>	<b>5</b>	<b>46</b>	<b>150</b>	<b>-22.2%</b>	<b>-</b>	<b>160</b>	<b>150</b>	<b>155</b>	<b>1.1%</b>	<b>-</b>	
Machinery and equipment	319	5	46	150	-22.2%	-	160	150	155	1.1%	-	
<b>Total</b>	<b>9 111 748</b>	<b>10 363 377</b>	<b>12 285 148</b>	<b>15 553 429</b>	<b>19.5%</b>	<b>100.0%</b>	<b>16 315 219</b>	<b>17 375 579</b>	<b>18 266 434</b>	<b>5.5%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>27.1%</b>	<b>24.8%</b>	<b>26.6%</b>	<b>28.4%</b>			<b>28.0%</b>	<b>27.5%</b>	<b>26.1%</b>			

**Details of transfers and subsidies**

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital											
	8 727 526	9 704 312	11 443 490	13 881 633	16.7%	92.5%	14 352 060	14 683 835	15 448 070	3.6%	86.5%
Municipal infrastructure grant	8 727 526	9 704 312	11 443 490	13 881 633	16.7%	92.5%	14 352 060	14 683 835	15 448 070	3.6%	86.5%
Foreign governments and international organisations											
Current											
	-	119	208	-	-	-	-	-	-	-	-
Common Wealth to Local Government Forum	-	119	208	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current											
	91 000	235 813	382 698	-	-100.0%	1.5%	-	-	-	-	-
Community Work Programme	91 000	235 813	382 698	-	-100.0%	1.5%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current											
	178 890	189 590	179 678	-	-100.0%	1.2%	-	-	-	-	-
Development Bank of Southern Africa: Siyenza Manje	178 890	189 590	179 678	-	-100.0%	1.2%	-	-	-	-	-

**Personnel information****Table 3.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual									Revised estimate <sup>3</sup>						Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Infrastructure and Economic Development																			
Salary level	75	-	42	22.0	0.5	118	67.7	0.6	119	68.8	0.6	119	73.1	0.6	119	76.6	0.6	0.3%	100.0%
1-6	12	-	10	1.8	0.2	29	21.8	0.8	29	21.1	0.7	29	22.3	0.8	29	23.3	0.8	-	24.4%
7-10	7	-	6	1.6	0.3	32	6.6	0.2	32	6.6	0.2	32	7.0	0.2	32	7.3	0.2	-	26.9%
11-12	10	-	9	4.3	0.5	25	13.0	0.5	25	13.3	0.5	25	14.3	0.6	25	15.0	0.6	-	21.1%
13-16	46	-	17	14.3	0.8	32	26.4	0.8	33	27.8	0.8	33	29.5	0.9	33	31.0	0.9	1.0%	27.6%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be on ensuring that there is appropriate performance monitoring and reporting in the provision of free basic services through the municipal infrastructure grant, as well as assisting 13 municipalities with the implementation of comprehensive infrastructure plans. The programme will also continue to facilitate the establishment of business development forums in district municipalities and foster private sector partnerships with municipalities through Business Adopt-a-Municipality initiative memorandums of understanding. The Business Adopt-a-Municipality initiative is a department initiative to build a closer

working relationship between government, the private sector and state owned entities for supporting vulnerable municipalities.

The bulk of this programme's budget over the medium term goes towards the municipal infrastructure grant for projects aimed at eradicating the backlog in infrastructure.

The bulk of spending in this programme is in the *Municipal Infrastructure Grant* and the *Community Work Programme* subprogrammes. Spending in the *Municipal Infrastructure Grant* subprogramme increased from R8.7 billion in 2009/10 to R13.9 billion due to increased allocations to support the implementation of the free basic services policy at the local level. Expenditure in the *Community Work Programme* subprogramme increased from R154.5 million in 2009/10 to R1.5 billion in 2012/13. The community work programme is discussed in further detail in the section that follows.

R2.4 billion over the medium term has been shifted from this programme to the Department of Water Affairs to support water infrastructure development through the municipal water infrastructure grant. As a cost saving measure, there will be minimal catering at meetings and a review of the communications policy to recover telephone costs.

The programme has a funded establishment of 75 posts and there were no vacancies as at 30 September 2012. Expenditure on consultant services in this period is for payments to agents for implementing the community work programme and for paying engineering experts to address current failures in infrastructure and service provision.

### Subprogramme: Community Work Programme

This subprogramme contributes to developing public assets in poor communities, provides income security and work experience for participants, and promotes social and economic inclusion. In 2012/13, 159 621 participants were employed at 148 operational sites. Key activities include project management through the 3 lead agents, each heading 3 provinces; and financial management, monitoring, evaluation and reporting. Over the medium term, the subprogramme will provide work opportunities to 255 000 people and operational sites to 348, focusing on rural areas. Sites are local areas comprising a community where community work programme activities are implemented.

### Expenditure estimates

Table 3.17 Community Work Programme

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R thousand	63 500	213 272	240 797	1 448 877	183.6%	73.5%	1 675 040	2 389 840	2 505 413	20.0%	100.0%
<b>Current payments</b>	63 500	213 272	240 797	1 448 877	183.6%	73.5%	1 675 040	2 389 840	2 505 413	20.0%	100.0%
Compensation of employees	–	–	5 823	31 339	–	1.4%	11 760	12 348	12 916	-25.6%	0.9%
Goods and services	63 500	213 272	234 974	1 417 538	181.6%	72.1%	1 663 280	2 377 492	2 492 497	20.7%	99.1%
of which:											
Advertising	–	–	443	1 452	–	0.1%	1 532	1 624	1 699	5.4%	0.1%
Assets less than the capitalisation threshold	–	–	–	1 526	–	0.1%	766	812	849	-17.8%	–
Catering: Departmental activities	–	4	99	968	–	–	1 021	1 082	1 132	5.4%	0.1%
Communication	–	–	46	726	–	–	766	812	849	5.4%	–
Computer services	–	–	–	23 573	–	0.9%	38 147	48 757	51 000	29.3%	2.0%
Consultants and professional services:	–	210 436	229 447	–	–	16.4%	35 649	35 986	36 339	–	1.3%
Business and advisory services	–	–	–	–	–	–	–	–	–	–	–
Contractors	–	–	3 718	1 018 058	–	38.2%	1 155 694	1 815 253	1 896 395	23.0%	73.4%
Agency and support / outsourced services	–	2 803	–	520	–	0.1%	–	–	–	-100.0%	–
Inventory: Materials and supplies	63 500	–	1	350 000	76.6%	15.5%	407 850	450 000	480 000	11.1%	21.0%
Inventory: Other consumables	–	–	3	242	–	–	255	270	282	5.2%	–
Inventory: Stationery and printing	–	–	26	8 700	–	0.3%	9 179	9 730	10 178	5.4%	0.5%
Operating leases	–	–	12	1 452	–	0.1%	1 532	1 624	1 700	5.4%	0.1%
Travel and subsistence	–	29	531	9 595	–	0.4%	10 123	10 730	11 224	5.4%	0.5%
Training and development	–	–	1	–	–	–	–	–	–	–	–
Venues and facilities	–	–	647	726	–	0.1%	766	812	850	5.4%	–

**Table 3.17 Community Work Programme (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Transfers and subsidies	91 000	235 813	382 698	-	-100.0%	26.5%	-	-	-	-	-
Households	91 000	235 813	382 698	-	-100.0%	26.5%	-	-	-	-	-
Payments for capital assets	-	-	29	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	29	-	-	-	-	-	-	-	-
<b>Total</b>	<b>154 500</b>	<b>449 085</b>	<b>623 524</b>	<b>1 448 877</b>	<b>110.9%</b>	<b>100.0%</b>	<b>1 675 040</b>	<b>2 389 840</b>	<b>2 505 413</b>	<b>20.0%</b>	<b>100.0%</b>
Proportion of total subprogramme expenditure to programme expenditure	1.7%	4.3%	5.1%	9.3%			10.3%	13.8%	13.7%		

## Personnel information

**Table 3.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment														Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13			2013/14		2014/15		2015/16		2012/13 - 2015/16					
			Number	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Community Work Programme	17	-	-	-	-	23	31.3	1.4	23	32.8	1.4	23	34.6	1.5	23	36.2	1.6	-	100.0%
Salary level 1-6	2	-	-	-	-	2	16.6	8.3	2	17.3	8.7	2	18.3	9.2	2	19.1	9.6	-	8.7%
7-10	1	-	-	-	-	1	0.3	0.3	1	0.4	0.4	1	0.4	0.4	1	0.4	0.4	-	4.3%
11-12	1	-	-	-	-	7	3.7	0.5	7	3.9	0.6	7	4.1	0.6	7	4.3	0.6	-	30.4%
13-16	13	-	-	-	-	13	10.8	0.8	13	11.3	0.9	13	11.9	0.9	13	12.5	1.0	-	56.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on increasing the number of targeted participants in the community work programme from 171 500 in 2012/13 to 255 000 in 2015/16. The subprogramme will also increase the number of sites implemented in all municipalities from 148 in 2012/13 to 348 by 2015/16, with a focus on rural municipalities.

90 per cent of the subprogramme's spending over the medium term is on site implementation, of which 65 per cent is paid directly to participants as wages and reflected as spending on contractors. The remainder is for tools, training and programme management at site level and reflected as spending on inventory.

Between 2009/10 and 2012/13, spending increased due to the funding of 174 new sites. The number of participants increased from 70 844 in 2009/10 to 171 500 in 2012/13, and the number of sites implemented increased from 49 to 148 in the same period. The bulk of spending in this subprogramme is on contractors, where expenditure increased from R3.7 million in 2011/12 to R1 billion in 2012/13. This was because implementing agents had to be paid. Another line item that impacts on increased spending on goods and services is inventory, specifically materials and supplies, which increased from R63.5 million in 2009/10 to R350 million in 2012/13.

As part of the Cabinet approved budget reductions, the department has effected spending reductions of R1 billion in this subprogramme over the medium term in spending on contractors.

The subprogramme has a funded establishment of 17 posts and there were no vacancies as at 30 September 2012. Expenditure on consultant services in this period relates to 3 implementing agencies, each being responsible for overseeing implementation of identified projects in the community work programme in 3 provinces.

## Subprogramme: Special Purpose Vehicle

This subprogramme was established to support municipalities in the areas of municipal infrastructure planning, operational planning and infrastructure maintenance, with the aim of addressing current failures in infrastructure and service provision. An aligned, coordinated but differentiated approach to building capacity in 108 municipalities will be followed, and infrastructure backlogs and service provision failures will be addressed where necessary, through direct support, while municipal capacity is being developed. This subprogramme forms the basis for the establishment of the municipal infrastructure support agency.

### Expenditure estimates

**Table 3.19 Special Purpose Vehicle**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
<b>Current payments</b>	-	-	13 067	196 674	-	27.7%	262 040	274 162	284 013	13.0%	100.0%
Compensation of employees	-	-	2 420	20 434	-	3.0%	21 089	22 193	23 214	4.3%	8.5%
Goods and services	-	-	10 647	176 240	-	24.7%	240 951	251 969	260 799	14.0%	91.5%
<i>of which:</i>											
Advertising	-	-	101	-	-	-	10 000	10 000	10 000	-	3.0%
Catering: Departmental activities	-	-	244	-	-	-	-	-	-	-	-
Communication	-	-	27	-	-	-	10 000	10 000	10 000	-	3.0%
Consultants and professional services:	-	-	8 830	176 240	-	24.4%	200 951	211 969	220 799	7.8%	79.7%
Business and advisory services	-	-	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	20	-	-	-	-	-	-	-	-
Operating leases	-	-	70	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	714	-	-	0.1%	20 000	20 000	20 000	-	5.9%
Operating payments	-	-	1	-	-	-	-	-	-	-	-
Venues and facilities	-	-	640	-	-	0.1%	-	-	-	-	-
<b>Transfers and subsidies</b>	178 890	189 590	179 678	-	-100.0%	72.3%	-	-	-	-	-
Public corporations and private enterprises	178 890	189 590	179 678	-	-100.0%	72.3%	-	-	-	-	-
<b>Total</b>	<b>178 890</b>	<b>189 590</b>	<b>192 745</b>	<b>196 674</b>	<b>3.2%</b>	<b>100.0%</b>	<b>262 040</b>	<b>274 162</b>	<b>284 013</b>	<b>13.0%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.3%</b>			<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>		

### Personnel information

**Table 3.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16	
	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Special Purpose Vehicle</b>																		
Salary level	26	-	-	-	66	20	0.3	67	21	0.3	67	22	0.3	67	23	0.3	0.5%	100.0%
1-6	-	-	-	-	19	2	0.1	19	2	0.1	19	2	0.1	19	2	0.1	-	28.5%
7-10	-	-	-	-	26	4.7	0.2	26	4.6	0.2	26	4.9	0.2	26	5.1	0.2	-	39.0%
11-12	-	-	-	-	10	4.7	0.5	10	4.6	0.5	10	4.9	0.5	10	5.1	0.5	-	15.0%
13-16	26	-	-	-	11	8.8	0.8	12	9.6	0.8	12	10.1	0.8	12	10.5	0.9	2.9%	17.6%

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

2. Rand million.

3. As at 30 September 2012.

### Expenditure trends

The spending focus over the medium term will be on improving the state of basic services infrastructure at municipalities as part of the core mandate, providing management support at 108 designated municipalities, deploying technical expertise where required, and facilitating capacity building programmes for infrastructure related critical skills at local municipalities.

Expenditure increased significantly between 2009/10 and 2012/13 to provide for the deployment costs of technical experts to targeted municipalities, as well as for costs to establish a municipal infrastructure support agency. The Municipal infrastructure support agency is to be supported by an interim management team, the Development Bank of Southern Africa and the department. Expenditure over the medium term is expected to increase due to additional funding of R180 million for the upscaling of the agency's support to 108 targeted municipalities. The bulk of spending is on consultants.

The agency has a funded establishment of 26 posts and there were no vacancies as at 30 September 2012. The numbers should remain constant over the medium term. Expenditure on consultant services over the MTEF period is for engineers who will support 108 municipalities in infrastructure delivery.

## Programme 7: Traditional Affairs

### Objectives

- Ensure better alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across national, provincial and local government by finalising the National Traditional Affairs Bill by March 2014.
- Ensure that traditional and Khoi-San communities are empowered by reviewing and developing the national support programme for the communities and their respective governance structures by March 2014.
- Promote widespread access to traditional knowledge and leadership by establishing a comprehensive, user friendly database of traditional and Khoi-San leaders by March 2014.

### Subprogramme

- *Management: Head of Traditional Affairs* oversees the performance, management and monitoring of this programme. This subprogramme had a staff complement of 8 in 2012/13.
- *Policy and Legislation for Traditional Affairs* ensures better alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across all spheres of government. In 2012/13, research reports on head positions and the developmental role of traditional leadership were developed and published. Over the medium term, the subprogramme will focus on the development of the compliance report on the implementation of the Traditional Leadership and Governance Framework Act (2003) by national and provincial governments. This subprogramme had a staff complement of 24 in 2012/13.
- *Institutional Support and Coordination* provides institutional, capacity building and support institutions of traditional leadership, and coordinates the establishment of intergovernmental relations and partnerships for development and service delivery in traditional communities. Over the medium term, a report on a comprehensive assessment of governance in the area of traditional affairs will be finalised; a skills audit database on the capacity of kings, queens and senior traditional leaders will be completed; and a partnership strategy providing an integrated approach to traditional affairs issues with its stakeholders will be developed. This subprogramme had a staff complement of 24 in 2012/13.
- *National House of Traditional Leaders* represents the interests of traditional communities and traditional leaders, and provides advice to government on policies and programmes that impact them. In 2011/12, a model on cultural, customary and traditional practices was developed. This subprogramme had a staff complement of 12 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's total budget is transferred in full to the commission. This subprogramme has no staff complement.
- *Commission on Traditional Leadership Disputes and Claims* resolves claims and disputes at all levels of traditional leadership referred to the commission. Over the medium term, 150 claims and disputes of traditional leadership will be finalised. This subprogramme had a staff complement of 9 in 2012/13.

## Expenditure estimates

Table 3.21 Traditional Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Management: Head of Traditional Affairs	–	12 523	11 240	10 120	–	11.0%	17 641	17 544	18 545	22.4%	14.6%
Policy and Legislation for Traditional Affairs	9 634	6 566	14 036	12 455	8.9%	13.8%	12 934	13 873	14 220	4.5%	12.3%
Institutional Support and Coordination	–	295	11 507	13 094	–	8.1%	13 425	14 124	14 529	3.5%	12.6%
National House of Traditional Leaders	13 755	15 754	19 204	21 167	15.5%	22.6%	16 650	18 627	19 668	-2.4%	17.4%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	20 250	24 401	22 378	34 227	19.1%	32.8%	32 503	34 973	36 582	2.2%	31.7%
Commission on Traditional Leadership Disputes and Claims	12 604	2 278	10 212	11 429	-3.2%	11.8%	12 003	12 723	13 308	5.2%	11.3%
<b>Total</b>	<b>56 243</b>	<b>61 817</b>	<b>88 577</b>	<b>102 492</b>	<b>22.1%</b>	<b>100.0%</b>	<b>105 156</b>	<b>111 864</b>	<b>116 852</b>	<b>4.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				442			50	(555)	116 852		

## Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Current payments</b>	<b>34 255</b>	<b>36 670</b>	<b>65 516</b>	<b>65 950</b>	<b>24.4%</b>	<b>65.5%</b>	<b>72 303</b>	<b>76 541</b>	<b>79 905</b>	<b>6.6%</b>	<b>67.5%</b>
Compensation of employees	11 811	17 266	36 367	40 779	51.1%	34.4%	45 031	47 260	49 997	7.0%	42.0%
Goods and services	22 444	19 404	29 149	25 171	3.9%	31.1%	27 272	29 281	29 908	5.9%	25.6%
of which:											
Administration fees	1	–	2	8	100.0%	–	8	8	8	–	–
Advertising	522	64	1 377	1 047	26.1%	1.0%	602	669	723	-11.6%	0.7%
Assets less than the capitalisation threshold	4	47	292	119	209.9%	0.1%	211	245	255	28.9%	0.2%
Audit cost: External	–	–	–	12	–	–	13	14	14	5.3%	–
Catering: Departmental activities	585	1 116	1 354	1 511	37.2%	1.5%	1 099	1 190	1 267	-5.7%	1.2%
Communication (G&S)	718	809	1 050	1 656	32.1%	1.4%	1 515	2 363	2 472	14.3%	1.8%
Computer services	–	1 206	–	747	–	0.6%	787	834	872	5.3%	0.7%
Consultants and professional services: Business and advisory services	6 653	1 433	2 624	1 178	-43.8%	3.8%	1 831	1 696	2 356	26.0%	1.6%
Consultants and professional services: Infrastructure and planning	–	–	–	1 101	–	0.4%	1 162	1 232	1 289	5.4%	1.1%
Consultants and professional services: Legal costs	1 337	108	1 014	1 223	-2.9%	1.2%	335	549	620	-20.3%	0.6%
Contractors	10	24	51	1 695	453.4%	0.6%	4 751	3 856	3 941	32.5%	3.3%
Agency and support / outsourced services	461	355	–	142	-32.5%	0.3%	150	159	166	5.3%	0.1%
Entertainment	–	–	–	69	–	–	74	79	83	6.4%	0.1%
Inventory: Fuel, oil and gas	–	–	3	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	3	2	–	–	–	–	–	–	–	–
Inventory: Other consumables	3	7	19	–	-100.0%	–	–	–	–	–	–
Inventory: Stationery and printing	407	415	678	1 678	60.3%	1.0%	1 565	1 766	1 848	3.3%	1.6%
Operating leases	20	34	105	634	216.5%	0.3%	563	391	410	-13.5%	0.5%
Property payments	–	161	713	90	–	0.3%	95	101	106	5.6%	0.1%
Travel and subsistence	11 381	11 688	17 933	8 577	-9.0%	16.0%	9 260	10 046	9 683	4.1%	8.6%
Training and development	15	58	89	667	254.3%	0.3%	776	889	932	11.8%	0.7%
Operating payments	15	19	333	862	285.9%	0.4%	899	944	987	4.6%	0.8%
Venues and facilities	312	1 857	1 510	2 155	90.4%	1.9%	1 576	2 250	1 876	-4.5%	1.8%
<b>Transfers and subsidies</b>	<b>21 970</b>	<b>24 401</b>	<b>22 378</b>	<b>36 192</b>	<b>18.1%</b>	<b>33.9%</b>	<b>32 503</b>	<b>34 973</b>	<b>36 582</b>	<b>0.4%</b>	<b>32.1%</b>
Departmental agencies and accounts	20 250	24 401	22 378	34 227	19.1%	32.8%	32 503	34 973	36 582	2.2%	31.7%
Households	1 720	–	–	1 965	4.5%	1.2%	–	–	–	-100.0%	0.5%
<b>Payments for capital assets</b>	<b>18</b>	<b>746</b>	<b>683</b>	<b>350</b>	<b>168.9%</b>	<b>0.6%</b>	<b>350</b>	<b>350</b>	<b>365</b>	<b>1.4%</b>	<b>0.3%</b>
Machinery and equipment	18	746	683	350	168.9%	0.6%	350	350	365	1.4%	0.3%
<b>Total</b>	<b>56 243</b>	<b>61 817</b>	<b>88 577</b>	<b>102 492</b>	<b>22.1%</b>	<b>100.0%</b>	<b>105 156</b>	<b>111 864</b>	<b>116 852</b>	<b>4.5%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.2%	0.1%	0.2%	0.2%			0.2%	0.2%	0.2%		

## Details of transfers and subsidies

Departmental agencies and accounts	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>20 250</b>	<b>24 401</b>	<b>22 378</b>	<b>34 227</b>	<b>19.1%</b>	<b>32.8%</b>	<b>32 503</b>	<b>34 973</b>	<b>36 582</b>	<b>2.2%</b>	<b>31.7%</b>
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	20 250	24 401	22 378	34 227	19.1%	32.8%	32 503	34 973	36 582	2.2%	31.7%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>1 720</b>	<b>–</b>	<b>–</b>	<b>1 965</b>	<b>4.5%</b>	<b>1.2%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.5%</b>
Traditional Leaders: Act of grace	1 720	–	–	1 965	4.5%	1.2%	–	–	–	-100.0%	0.5%

## Personnel information

Table 3.22 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16	
Traditional Affairs		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	75	8	70	34.8	0.5	-	-	-	-	-	-	-	-	-	-	-	-
1 – 6	20	-	18	3.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-
7 – 10	12	-	12	3.5	0.3	-	-	-	-	-	-	-	-	-	-	-	-
11 – 12	17	4	15	7.0	0.5	-	-	-	-	-	-	-	-	-	-	-	-
13 – 16	26	4	25	21.1	0.8	-	-	-	-	-	-	-	-	-	-	-	-

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on ensuring that the National Traditional Affairs Bill is enacted and that Khoi-San traditional communities and structures are recognised. By developing national policy, the department will also ensure that traditional initiations are regulated. This is reflected in the growth in expenditure in the *Policy and Legislation for Traditional Affairs* subprogramme, which is expected to increase to R14.2 million in 2015/16. The aim is to expand the programme's capacity through the provision of corporate and financial services, and to increase the number of leadership dispute cases to 450 by 2015/16.

Spending on compensation of employees is the largest expenditure item in this programme. Expenditure on contractors in 2012/13 and over the medium term is mainly related to traditional leadership events. Spending on travel and subsistence increased from R11.7 million in 2010/11 to R17.9 million in 2011/12 to enable the department to carry out assessments in provinces and municipalities on the state of traditional affairs in the areas and establish houses of traditional leadership in areas where there were none.

Expenditure in the *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities* subprogramme increased significantly between 2009/10 and 2012/13 due to additional funding for more capacity for the commission's research and policy development unit.

The programme has a funded establishment of 75 posts and 8 posts are filled additional to the establishment. There were no vacancies as at 30 September 2012. Expenditure on consultant services between 2012/13 and 2015/16 is for assistance in legal matters, especially disputes involving traditional leaders.

## Public entities and other agencies

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

#### Mandate and goals

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities was established in terms of section 181(1)(c) of the Constitution and derives its mandate from the Cultural, Religious and Linguistic Communities Act (2002). The commission is mandated to support constitutional democracy and, in particular, to promote and protect the rights of cultural, religious and linguistic communities.

The commission's strategic goals over the medium term are to:

- promote and develop peace, friendship, humanity, tolerance and national unity among and within cultural, religious and linguistic communities on the basis of equality, non-discrimination and free association

- foster mutual respect among cultural, religious and linguistic communities
- promote the rights of communities to develop their historically diminished heritage
- recommend the establishment or recognition of community councils.

## Selected performance indicators

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

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of complaints on cultural, religious and linguistic matters investigated per year	Investigation and conflict resolution	7	8	12	15	20	40	60
Number of engagements with communities per year (mediations, dialogues, seminars information)	Public education and advocacy	78	89	91	96	100	180	200
Number of provincial community councils recognised per year <sup>1</sup>	Community engagement	-1	-1	-1	5	9	9	9
Number of research reports published per year <sup>1</sup>	Research policy and development	-1	-1	-1	6	12	18	28

1. Measurement of the indicator began in 2012/13.

## Programmes/activities/objectives

**Table 3.24 Commission for the Promotion of the Rights of Cultural, Religious and Linguistic Communities**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Strategic management	6 554	5 457	3 181	4 719	-10.4%	19.5%	5 130	5 326	5 709	6.6%	15.1%
Senior management	-	-	3 130	3 020	-	5.6%	3 872	3 992	4 391	13.3%	11.0%
Corporate services	3 630	4 977	5 832	7 481	27.3%	20.8%	8 020	8 576	8 568	4.6%	23.6%
Financial management	8 325	5 947	4 568	4 899	-16.2%	23.6%	4 630	4 927	5 204	2.0%	14.2%
Investigation and conflict resolution	1 142	1 197	1 140	2 647	32.3%	5.6%	2 788	2 881	3 008	4.4%	8.2%
Research and policy development	2 096	3 422	2 393	2 269	2.7%	10.1%	2 374	2 447	2 644	5.2%	7.0%
Public education and advocacy	1 011	1 294	1 466	2 874	41.7%	6.1%	3 221	3 064	3 230	4.0%	9.0%
Community engagement	1 007	1 287	1 543	6 318	84.4%	8.7%	2 468	3 760	3 827	-15.4%	11.8%
<b>Total expense</b>	<b>23 765</b>	<b>23 581</b>	<b>23 253</b>	<b>34 227</b>	<b>12.9%</b>	<b>100.0%</b>	<b>32 503</b>	<b>34 973</b>	<b>36 581</b>	<b>2.2%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 3.25 Commission for the Promotion of the Rights of Cultural, Religious and Linguistic Communities**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>116</b>	<b>982</b>	<b>202</b>	-	-100.0%	1.3%	-	-	-	-	-
<i>Other non-tax revenue</i>	116	982	202	-	-100.0%	1.3%	-	-	-	-	-
<b>Transfers received</b>	<b>20 250</b>	<b>24 401</b>	<b>22 378</b>	<b>34 227</b>	<b>19.1%</b>	<b>98.7%</b>	<b>32 503</b>	<b>34 973</b>	<b>36 582</b>	<b>2.2%</b>	<b>100.0%</b>
<b>Total revenue</b>	<b>20 366</b>	<b>25 383</b>	<b>22 580</b>	<b>34 227</b>	<b>18.9%</b>	<b>100.0%</b>	<b>32 503</b>	<b>34 973</b>	<b>36 582</b>	<b>2.2%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>23 765</b>	<b>23 581</b>	<b>23 253</b>	<b>34 227</b>	<b>12.9%</b>	<b>100.0%</b>	<b>32 503</b>	<b>34 973</b>	<b>36 582</b>	<b>2.2%</b>	<b>100.0%</b>
Compensation of employees	14 197	13 477	13 318	18 096	8.4%	56.8%	19 104	20 039	20 960	5.0%	56.6%
Goods and services	8 940	9 639	9 539	16 131	21.7%	41.7%	13 399	14 934	15 622	-1.1%	43.4%
Depreciation	503	429	395	-	-100.0%	1.4%	-	-	-	-	-
Interest, dividends and rent on land	125	36	1	-	-100.0%	0.2%	-	-	-	-	-
<b>Total expenses</b>	<b>23 765</b>	<b>23 581</b>	<b>23 253</b>	<b>34 227</b>	<b>12.9%</b>	<b>100.0%</b>	<b>32 503</b>	<b>34 973</b>	<b>36 582</b>	<b>2.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(3 399)</b>	<b>1 802</b>	<b>(673)</b>	-	<b>-100.0%</b>		-	-	-	-	-

## Personnel information

**Table 3.26 Commission for the Promotion of the Rights of Cultural, Religious and Linguistic Communities**

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost
Salary level	48	7	24	12.3	0.5	41	18.1	0.4	41	19.1	0.5	41	20.0	0.5	41	21.0	0.5	-	100.0%
1-6	10	-	-	-	-	10	0.5	0.0	10	0.5	0.1	10	0.5	0.1	10	0.6	0.1	4.7%	2.7%
7-10	21	1	10	3.0	0.3	20	6.0	0.3	20	6.3	0.3	20	6.6	0.3	20	7.0	0.3	-	33.1%
11-12	8	4	6	3.3	0.5	4	4.4	1.1	4	4.7	1.2	4	4.9	1.2	4	5.1	1.3	4.9%	24.4%
13-16	9	2	8	6.1	0.8	7	7.2	1.0	7	7.6	1.1	7	8.0	1.1	7	8.3	1.2	4.9%	39.8%

1. Rand million.

## Expenditure trends

The main sources of revenue of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities are a transfer from the department and interest earned. Transfers received increased significantly between 2009/10 and 2012/13 because of increased allocations to enable the commission to employ more researchers for its research and policy unit. Revenue is expected to increase to R36.6 million in 2015/16.

The spending focus over the medium term is on the completion of cases received from communities regarding the protection of places of worship and graves, and securing the religious rights of inmates. The commission will also ensure that the University of South Africa observes the religious rights of Muslim learners when publishing its timetable, as it does not accommodate them at present; and intends to finalise 28 research reports by the end of 2015/16.

Expenditure increased significantly between 2009/10 and 2012/13 because of an increase in capacity to support the commission's research and policy development unit while it completed the second phase of research on the male initiation and circumcision crisis, as well as the preparation of guidelines on the ritual of animal slaughter. Expenditure is expected to increase over the medium term to continue with research on the policy regarding ukuthwala, which is a form of abduction that involves a girl or a young woman being kidnapped by a man and his friends or peers with the intention of compelling her or her family to endorse marriage negotiations.

The commission identified the following cost containment measures over the medium term: there will be no catering for in-house meetings and workshops, cellular phone contracts will be transferred to employees, and the policy on travel and accommodation costs will be updated.

The commission has a funded establishment of 48 posts, of which 7 were vacant as at 30 September 2012. Personnel numbers increased from 24 posts in 2011/12 to 41 posts in 2012/13, mainly to support the research and policy unit. These numbers are likely to remain constant over the medium term. The ratio of support staff to line function staff is 1:2. The commission uses consultants only for audits of its financial statements.

## Municipal Demarcation Board

### Mandate and goals

The Municipal Demarcation Board is an independent authority responsible for determining municipal boundaries. Section 3 of the Local Government Municipal Demarcation Act (1998) provides that the board is a juristic person, is independent and must be impartial. The board is mandated to determine municipal boundaries in accordance with the act and other appropriate legislation enacted in terms of chapter 7 of the Constitution. The board is also governed in terms of the Municipal Structures Act (1998).

The board's strategic goals over the medium term are to:

- determine and re-determine municipal boundaries, and categorise and re-categorise municipalities

- assess the capacity of metropolitan, district and local municipalities
- ensure that it is supported by effective and efficient organisational processes, systems and practices
- ensure good governance
- ensure sound financial management
- enhance stakeholder relations.

## Selected performance indicators

**Table 3.27 Municipal Demarcation Board**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of total requests for changes to boundaries finalised per year	Operation and research	– <sup>1</sup>	– <sup>1</sup>	40%	85%	100%	– <sup>2</sup>	– <sup>2</sup>
Percentage of processes completed to delimit municipal wards for all local and metropolitan municipalities	Operation and research	100% <sup>1</sup>	– <sup>3</sup>	– <sup>3</sup>	– <sup>3</sup>	– <sup>3</sup>	50% <sup>2</sup>	100% <sup>2</sup>
Percentage of capacity assessments completed per municipality per year (data collection)	Operation and research	– <sup>4</sup>	– <sup>4</sup>	100%	100%	100%	100%	100%
Percentage of capacity assessments completed per municipality per year (in-depth qualitative analysis)	Operation and research	– <sup>4</sup>	– <sup>4</sup>	20 %	20%	20%	20%	20 %

1. Ward delimitation process in preparation for the 2011 local government elections, hence there were no requests processed in 2009/10 and 2010/11. In these years, municipal wards were delimited and boundaries were re-determined.

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

3. Municipal boundary redetermination process.

4. Assessments were suspended to review the model and methodology, hence the model was reviewed. The reviewed model was found to be cheaper, hence the decision to implement it every year.

## Programmes/activities/objectives

**Table 3.28 Municipal Demarcation Board**

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Operation and research	11 880	15 138	15 761	19 553	18.1%	43.2%	17 127	18 264	19 246	-0.5%	37.7%
Financial management and accounting	4 476	4 324	4 661	5 776	8.9%	13.6%	6 185	6 596	6 951	6.4%	12.9%
Corporate services	11 283	16 569	15 401	19 108	19.2%	43.2%	24 840	26 489	27 569	13.0%	49.4%
<b>Total expense</b>	<b>27 639</b>	<b>36 031</b>	<b>35 823</b>	<b>44 437</b>	<b>17.1%</b>	<b>100.0%</b>	<b>48 152</b>	<b>51 349</b>	<b>53 766</b>	<b>6.6%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 3.29 Municipal Demarcation Board**

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>730</b>	<b>746</b>	<b>645</b>	<b>4 075</b>	<b>77.4%</b>	<b>3.7%</b>	<b>6 000</b>	<b>7 119</b>	<b>7 973</b>	<b>25.1%</b>	<b>12.6%</b>
Sale of goods and services other than capital assets	11	41	18	25	31.5%	0.1%	27	28	36	12.9%	0.1%
of which:											
Sales by market establishment	11	41	18	25	31.5%	0.1%	27	28	36	12.9%	0.1%
Other non-tax revenue	719	705	627	4 050	77.9%	3.7%	5 973	7 091	7 937	25.1%	12.5%
<b>Transfers received</b>	<b>34 557</b>	<b>37 187</b>	<b>38 482</b>	<b>40 362</b>	<b>5.3%</b>	<b>96.3%</b>	<b>42 152</b>	<b>44 230</b>	<b>45 793</b>	<b>4.3%</b>	<b>87.4%</b>
<b>Total revenue</b>	<b>35 287</b>	<b>37 933</b>	<b>39 127</b>	<b>44 437</b>	<b>8.0%</b>	<b>100.0%</b>	<b>48 152</b>	<b>51 349</b>	<b>53 766</b>	<b>6.6%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>27 639</b>	<b>36 031</b>	<b>35 823</b>	<b>44 437</b>	<b>17.1%</b>	<b>100.0%</b>	<b>48 152</b>	<b>51 349</b>	<b>53 766</b>	<b>6.6%</b>	<b>100.0%</b>
Compensation of employees	10 705	11 322	12 061	19 326	21.8%	36.8%	23 994	25 914	27 987	13.1%	49.0%
Goods and services	16 167	23 907	22 753	24 046	14.1%	60.6%	23 363	24 588	24 908	1.2%	49.2%
Depreciation	666	802	1 009	1 065	16.9%	2.5%	795	847	871	-6.5%	1.8%
Interest, dividends and rent on land	101	–	–	–	-100.0%	0.1%	–	–	–	–	–
<b>Total expenses</b>	<b>27 639</b>	<b>36 031</b>	<b>35 823</b>	<b>44 437</b>	<b>17.1%</b>	<b>100.0%</b>	<b>48 152</b>	<b>51 349</b>	<b>53 766</b>	<b>6.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>7 648</b>	<b>1 902</b>	<b>3 304</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Table 3.29 Municipal Demarcation Board (continued)

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Statement of financial position</b>											
Carrying value of assets	2 567	2 802	3 705	3 436	10.2%	14.8%	6 064	7 833	9 707	41.4%	26.2%
<i>of which:</i>											
Acquisition of assets	2 399	1 076	1 917	1 448	-15.5%	8.1%	1 268	1 239	871	-15.6%	5.0%
Inventory	169	283	287	299	20.9%	1.2%	334	350	366	7.0%	1.4%
Receivables and prepayments	621	449	418	510	-6.4%	2.4%	569	597	624	7.0%	2.3%
Cash and cash equivalents	16 878	16 388	19 259	16 031	-1.7%	81.5%	16 981	17 813	18 633	5.1%	70.1%
<b>Total assets</b>	<b>20 235</b>	<b>19 922</b>	<b>23 669</b>	<b>20 276</b>	<b>0.1%</b>	<b>100.0%</b>	<b>23 948</b>	<b>26 593</b>	<b>29 330</b>	<b>13.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	15 039	16 941	20 245	16 941	4.0%	82.1%	19 694	22 130	24 663	13.3%	83.3%
Finance lease	383	628	628	-	-100.0%	1.9%	-	-	-	-	-
Trade and other payables	4 813	2 353	1 962	2 600	-18.6%	14.2%	3 481	3 651	3 818	13.7%	13.5%
Provisions	-	-	834	735	-	1.8%	773	812	849	4.9%	3.2%
<b>Total equity and liabilities</b>	<b>20 235</b>	<b>19 922</b>	<b>23 669</b>	<b>20 276</b>	<b>0.1%</b>	<b>100.0%</b>	<b>23 948</b>	<b>26 593</b>	<b>29 330</b>	<b>13.1%</b>	<b>100.0%</b>

Table 3.30 Municipal Demarcation Board

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	47	-	41	12.1	0.3	47	19.3	0.4	58	23.2	0.4	58	25.1	0.4	58	27.1	0.5	7.3%	100.0%
1 - 6	13	-	14	0.7	0.1	13	1.7	0.1	16	1.9	0.1	16	1.8	0.1	16	2.2	0.1	7.2%	27.6%
7 - 10	22	-	20	5.7	0.3	22	9.4	0.4	30	11.2	0.4	30	12.4	0.4	30	13.3	0.4	10.9%	50.5%
13 - 16	12	-	7	5.6	0.8	12	8.3	0.7	12	10.1	0.8	12	10.9	0.9	12	11.6	1.0	-	21.9%

1. Rand million.

## Expenditure trends

The Municipal Demarcation Board's main source of revenue is government transfers. Other sources include the sale of maps and interest income generated from investments with banks. Transfers received increased from R34.6 million in 2009/10 to R40.4 million in 2012/13, and are expected to increase to R45.8 million in 2015/16. The increase in both periods is mainly due to additional allocations for improved conditions of service.

The board's spending focus over the medium term will be on data collection, the in-depth quantitative analysis of data and internal personnel who conduct assignments. The assembled data will be used as a basis for municipal capacity assessments, the delimitation of wards, and stakeholder engagement. Spending on these items is reflected in operations and research, including personnel budgets.

Expenditure increased significantly between 2009/10 and 2012/13 due to the appointment of 24 additional employees, as well as the employment of consultants to assist in the ward delimitation process in preparation for the 2011 local government elections. The increase in expenditure over the medium term is due to vacancies being filled in the board's stakeholder, legal and policy units.

The ratio of support staff to line function staff is 1:2. Spending on consultants increased between 2009/10 and 2012/13 due to assessments carried out on ward delimitation, boundary redeterminations and capacity, which required consultants' expertise. Spending on consultants over the medium term is expected to decline as preparations for the 2014 general and provincial elections will be completed in this period. The board has a funded establishment of 47 posts, all of which were filled as at 30 September 2012. The board plans to maintain this establishment over the medium term.

As part of the Cabinet approved budget reductions, the department will reduce its transfers to the board by R2.8 million over the medium term. The following cost containment measures were identified to manage these reductions: no catering for in-house meetings and workshops, and cellular phone contracts will be transferred to employees.

## South African Local Government Association

### Mandate and goals

The South African Local Government Association is an association of municipalities. The Organised Local Government Act (1997) recognises the association as a representative of organised local government. The association is mandated to designate up to 10 part-time representatives to the National Council of Provinces in Parliament and to nominate two representatives to the Financial and Fiscal Commission, which advises government on budget issues. The association participates in intergovernmental structures at a provincial and district level, and is therefore able to influence national and provincial legislation and gauge its impact on local government.

The association's strategic goals over the medium term are to:

- deliver an accessible, equitable and sustainable municipal service
- ensure that environments and communities are safe and healthy
- provide planning and socioeconomic development at the local level
- ensure effective, responsive and accountable local governance at communities
- ensure effective human resources management in local development
- ensure that municipalities have financially and organisational capacity
- ensure effective and efficient administration.

### Selected performance indicators

Table 3.31 South African Local Government Association

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of municipalities piloted on the implementation of the spatial development framework guidelines per year	Strategy policy and research	2	5	0 <sup>1</sup>	20	30	40	40
Number of guidelines on performance management system implemented for municipalities per year <sup>2</sup>	Office of the chief executive officer	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	27	36	36
Number of municipalities advised and supported on implementing the impact of climate change framework per year <sup>3</sup>	Municipal infrastructure services	- <sup>3</sup>	- <sup>3</sup>	50	150	37	- <sup>3</sup>	- <sup>3</sup>

1. The entity did not implement the project due to financial constraints.

2. The guidelines will be implemented from 2013/14.

3. Implementation of the framework commenced in 2011/12 and will be completed in 2014/15.

### Programmes/activities/objectives

Table 3.32 South African Local Government Association

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Community development	6 419	8 358	6 583	8 236	8.7%	2.8%	9 307	10 061	10 795	9.4%	2.3%
Economic development and development planning	7 836	6 993	11 271	12 080	15.5%	3.5%	13 204	14 331	15 276	8.1%	3.3%
Governance and intergovernmental relations	6 583	8 610	6 467	23 323	52.4%	3.8%	22 287	19 455	15 848	-12.1%	5.0%
Municipal institutional development	9 292	8 879	7 835	8 541	-2.8%	3.3%	11 411	12 284	12 983	15.0%	2.7%

Table 3.32 South African Local Government Association (continued)

	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Municipal infrastructure services	8 703	10 001	16 084	10 513	6.5%	4.2%	11 615	12 532	13 320	8.2%	2.9%
Office of the chief executive officer	18 874	20 081	37 574	42 233	30.8%	10.5%	41 719	44 724	47 864	4.3%	10.7%
Finance and corporate services	36 166	44 993	64 386	95 314	38.1%	21.1%	96 322	103 553	111 435	5.3%	24.5%
Strategy policy and research	7 094	9 242	6 201	9 106	8.7%	3.0%	12 236	13 169	14 140	15.8%	2.9%
Other objectives	104 423	126 464	128 763	163 518	16.1%	47.9%	184 983	200 457	209 949	8.7%	45.7%
<b>Total expense</b>	<b>205 390</b>	<b>243 621</b>	<b>285 164</b>	<b>372 864</b>	<b>22.0%</b>	<b>100.0%</b>	<b>403 084</b>	<b>430 566</b>	<b>451 610</b>	<b>6.6%</b>	<b>100.0%</b>

## Expenditure estimates

Table 3.33 South African Local Government Association

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>172 816</b>	<b>165 620</b>	<b>257 457</b>	<b>320 663</b>	<b>22.9%</b>	<b>81.6%</b>	<b>377 291</b>	<b>421 010</b>	<b>444 121</b>	<b>11.5%</b>	<b>91.5%</b>
Sale of goods and services other than capital assets	137 508	151 173	226 438	304 228	30.3%	72.1%	358 278	405 013	424 691	11.8%	87.3%
<i>of which:</i>											
<i>Sales by market establishment</i>	137 508	151 173	226 438	304 228	30.3%	72.1%	358 278	405 013	424 691	11.8%	87.3%
<i>Other non-tax revenue</i>	35 308	14 447	31 019	16 435	-22.5%	9.5%	19 013	15 997	19 430	5.7%	4.2%
<b>Transfers received</b>	<b>33 314</b>	<b>75 006</b>	<b>40 009</b>	<b>46 673</b>	<b>11.9%</b>	<b>18.4%</b>	<b>33 391</b>	<b>30 444</b>	<b>31 385</b>	<b>-12.4%</b>	<b>8.5%</b>
<b>Total revenue</b>	<b>206 130</b>	<b>240 626</b>	<b>297 466</b>	<b>367 336</b>	<b>21.2%</b>	<b>100.0%</b>	<b>410 682</b>	<b>451 454</b>	<b>475 506</b>	<b>9.0%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>205 390</b>	<b>243 621</b>	<b>285 164</b>	<b>372 864</b>	<b>22.0%</b>	<b>100.0%</b>	<b>403 084</b>	<b>430 566</b>	<b>451 610</b>	<b>6.6%</b>	<b>100.0%</b>
Compensation of employees	91 591	125 626	138 988	155 560	19.3%	46.7%	188 159	206 976	227 674	13.5%	46.7%
Goods and services	109 552	111 628	142 376	212 728	24.8%	51.5%	210 106	218 535	218 459	0.9%	52.1%
Depreciation	3 385	3 440	3 348	3 181	-2.1%	1.3%	3 350	3 514	3 865	6.7%	0.8%
Interest, dividends and rent on land	862	2 927	452	1 395	17.4%	0.5%	1 469	1 541	1 612	4.9%	0.4%
<b>Total expenses</b>	<b>205 390</b>	<b>243 621</b>	<b>285 164</b>	<b>372 864</b>	<b>22.0%</b>	<b>100.0%</b>	<b>403 084</b>	<b>430 566</b>	<b>451 610</b>	<b>6.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>740</b>	<b>(2 995)</b>	<b>12 302</b>	<b>(5 528)</b>	<b>-295.5%</b>		<b>7 598</b>	<b>20 888</b>	<b>23 896</b>	<b>-262.9%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	19 876	23 122	23 408	17 765	-3.7%	34.7%	15 501	13 313	14 200	-7.2%	18.2%
<i>of which:</i>											
<i>Acquisition of assets</i>	3 817	7 567	4 376	4 500	5.6%	8.5%	2 460	2 680	3 800	-5.5%	4.0%
Receivables and prepayments	38 641	25 258	29 749	26 942	-11.3%	49.6%	21 422	15 193	20 725	-8.4%	25.6%
Cash and cash equivalents	610	4 496	18 922	16 794	202.0%	15.8%	46 244	75 774	79 260	67.7%	56.2%
<b>Total assets</b>	<b>59 126</b>	<b>52 876</b>	<b>72 079</b>	<b>61 501</b>	<b>1.3%</b>	<b>100.0%</b>	<b>83 167</b>	<b>104 280</b>	<b>114 185</b>	<b>22.9%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	3 940	(4 340)	7 961	21 527	76.1%	11.1%	42 598	64 758	81 816	56.1%	55.0%
Capital and reserves	2 260	2 260	2 260	-	-100.0%	2.8%	2 260	2 260	2 260	-	1.7%
Capital reserve fund	-	-	11 446	-	-	3.9%	-	-	-	-	-
Finance lease	2 104	1 020	6 049	4 888	32.4%	5.4%	4 502	4 489	4 695	-1.3%	5.4%
Deferred income	19 510	13 673	7 852	4 489	-38.7%	19.2%	4 449	4 409	4 369	-0.9%	5.2%
Trade and other payables	30 955	39 692	36 428	30 291	-0.7%	56.7%	29 067	28 058	20 725	-11.9%	32.3%
Provisions	357	573	619	306	-5.0%	0.8%	291	306	320	1.5%	0.4%
<b>Total equity and liabilities</b>	<b>59 125</b>	<b>52 878</b>	<b>72 615</b>	<b>61 501</b>	<b>1.3%</b>	<b>100.0%</b>	<b>83 167</b>	<b>104 280</b>	<b>114 185</b>	<b>22.9%</b>	<b>100.0%</b>

## Personnel information

**Table 3.34 South African Local Government Association**

Salary level	Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	380	–	310	139.0	0.4	380	155.6	0.4	465	188.2	0.4	493	207.0	0.4	496	227.7	0.5	9.3%	100.0%
1 – 6	25	–	12	1.2	0.1	25	1.7	0.1	20	1.9	0.1	20	2.0	0.1	20	2.1	0.1	-7.2%	4.7%
7 – 10	91	–	79	16.7	0.2	91	17.3	0.2	105	23.9	0.2	110	27.3	0.2	111	29.0	0.3	6.8%	22.8%
11 – 12	213	–	187	89.7	0.5	213	100.2	0.5	273	106.1	0.4	294	116.3	0.4	295	130.4	0.4	11.5%	58.5%
13 – 16	51	–	32	31.5	1.0	51	36.4	0.7	67	56.3	0.8	69	61.4	0.9	70	66.1	0.9	11.1%	14.0%

1. Rand million.

## Expenditure trends

The South African Local Government Association's main revenue source is membership fees and donations from foreign donors. The significant increase in revenue between 2009/10 and 2012/13 was due to an increase in membership fees.

The spending focus over the medium term will be on advocating activities for the development of the national campaign on a cleaner environment at the local level, and establishing a refurbishment and replacement fund for municipal infrastructure. The association will also lobby for funding to respond to challenges regarding climate change on behalf of local government in support of environmental management and climate change strategies.

The bulk of the association's expenditure goes towards compensation of employees. The increase in spending on compensation of employees over the medium term is for capacity building to enhance the support the association provides its members, and to increase the representation of members at intergovernmental relations forums.

As part of the Cabinet approved budget reductions, a reduction of R1.6 million has been effected in the association's baseline budget over the medium term. The following cost containment measures have been identified to manage these reductions: no catering for in-house meetings and workshops, cellular phone contracts transferred to employees, and the updating of the policy on travel and accommodation costs.

The association has a funded establishment of 380 posts, all of which were filled as at 30 September 2012. The association plans to increase this establishment to 496 over the medium term. The ratio of support staff to line staff is 1:2. Consultants are used for independent legal and financial expertise over short periods.

## 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	2011/12		2011/12	2012/13			2012/13
Administration	212 569	205 369	206 081	201 402	(3 897)	197 505	196 167
Policy, Research and Knowledge Management	46 006	41 506	37 935	46 071	3 222	49 293	48 093
Governance and Intergovernmental Relations	34 213 870	34 476 567	33 270 754	37 981 926	129 963	38 111 889	37 609 289
Disaster Response Management	821 172	816 232	80 658	555 225	167	555 392	555 392
Provincial and Municipal Government Systems	248 316	249 861	252 411	284 726	452	285 178	282 096
Infrastructure and Economic Development	12 307 878	12 331 358	12 285 148	15 544 190	9 239	15 553 429	15 382 695
Traditional Affairs	83 769	83 769	88 577	102 050	442	102 492	102 492
<b>Total</b>	<b>47 933 580</b>	<b>48 204 662</b>	<b>46 221 564</b>	<b>54 715 590</b>	<b>139 588</b>	<b>54 855 178</b>	<b>54 176 224</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>691 255</b>	<b>727 414</b>	<b>661 061</b>	<b>2 088 855</b>	<b>15 577</b>	<b>2 104 432</b>	<b>1 925 478</b>
Compensation of employees	232 862	248 809	234 987	255 392	35 004	290 396	287 314
Goods and services	458 393	478 605	425 993	1 833 463	(19 427)	1 814 036	1 638 164
Interest and rent on land	–	–	81	–	–	–	–
<b>Transfers and subsidies</b>	<b>47 222 446</b>	<b>47 456 969</b>	<b>45 551 033</b>	<b>52 607 185</b>	<b>130 162</b>	<b>52 737 347</b>	<b>52 237 347</b>
Provinces and municipalities	46 545 926	46 546 716	44 884 236	52 495 225	–	52 495 225	51 995 225
Departmental agencies and accounts	86 118	86 346	86 346	101 315	–	101 315	101 315
Foreign governments and international organisations	–	–	208	–	–	–	–
Public corporations and private enterprises	192 061	153 649	179 678	–	–	–	–
Non-profit institutions	10 164	10 164	5 716	10 645	(2 620)	8 025	8 025
Households	388 177	660 094	394 849	–	132 782	132 782	132 782
<b>Payments for capital assets</b>	<b>19 779</b>	<b>19 779</b>	<b>8 277</b>	<b>19 550</b>	<b>(6 239)</b>	<b>13 311</b>	<b>13 311</b>
Machinery and equipment	18 019	18 019	8 277	18 550	(5 239)	13 311	13 311
Software and other intangible assets	1 760	1 760	–	1 000	(1 000)	–	–
<b>Payments for financial assets</b>	<b>100</b>	<b>500</b>	<b>1 193</b>	<b>–</b>	<b>88</b>	<b>88</b>	<b>88</b>
<b>Total</b>	<b>47 933 580</b>	<b>48 204 662</b>	<b>46 221 564</b>	<b>54 715 590</b>	<b>139 588</b>	<b>54 855 178</b>	<b>54 176 224</b>

**Table 3.B Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Compensation of employees (R thousand)	165 709	174 301	234 987	290 396	277 718	294 072	314 989
Training expenditure (R thousand)	1 769	1 370	1 389	2 904	2 991	3 133	3 270
Training spend as percentage of compensation	1.1%	0.8%	0.6%	1.0%	1.1%	1.1%	1.0%
Total number trained (headcount)	501	506	511	511			
<i>of which:</i>							
Internships (headcount)	26	26	–	–			

**Table 3.C Summary of conditional grants to provinces and municipalities<sup>1</sup>**

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Conditional grants to provinces</b>							
<b>Disaster Response Management</b>							
Provincial disaster grant	–	214 398	15 136	180 000	188 100	197 372	204 344
<b>Total</b>	<b>–</b>	<b>214 398</b>	<b>15 136</b>	<b>180 000</b>	<b>188 100</b>	<b>197 372</b>	<b>204 344</b>
<b>Conditional grants to municipalities</b>							
<b>Disaster Response Management</b>							
Municipal disaster grant	60 800	–	32 147	330 000	346 500	363 580	376 424
<b>Provincial and Municipal Government Systems</b>							
Municipal systems improvement grant	200 000	212 000	220 210	230 096	240 307	252 152	261 060
<b>Infrastructure and Economic Development</b>							
Municipal infrastructure grant	8 727 526	9 704 312	11 443 490	13 881 633	14 352 060	14 683 835	15 448 070
<b>Total</b>	<b>8 988 326</b>	<b>9 916 312</b>	<b>11 695 847</b>	<b>14 441 729</b>	<b>14 938 867</b>	<b>15 299 567</b>	<b>16 085 554</b>

1. Detail provided in the Division of Revenue Act (2013).

Table 3.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand													
<b>Foreign In cash</b>													
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	3 848	2 729	–	–	–	–	–
European Union	Masibambane	Infrastructure and Economic Development	April 2009 to March 2010	31 778	Goods and services	Support municipal urban renewal programme	8 372	1 446	–	7 349	4 000	5 000	–
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	32 090	–	2 866	1 200	–	–	–
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	–	–	7 981	7 019	–	–	–
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	4 668	817	–	–	–
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	–	1 393	–	–	–
<b>In kind</b>													
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	36 139	19 718	24 654	–	–	–	–
Italy	Decentralisation and local development policies in South Africa	Infrastructure and Economic Development	April 2007 to March 2009	45 145	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	–	13 033	–	–	–	–
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	27 136	4 534	–	–	–	–	–
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	Goods and services	Provide support to the Democratic Republic of the Congo on decentralisation	–	–	–	10 259	–	–	–
<b>Total</b>				<b>381 944</b>			<b>139 697</b>	<b>34 480</b>	<b>53 202</b>	<b>28 037</b>	<b>4 000</b>	<b>5 000</b>	<b>–</b>

**Table 3.E Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand										
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
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	11 443 490	13 881 633	14 060 655	13 803 470	14 406 787
<b>Total</b>			<b>83 958 256</b>	<b>8 727 526</b>	<b>12 528 884</b>	<b>11 443 490</b>	<b>13 881 633</b>	<b>14 060 655</b>	<b>13 803 470</b>	<b>14 406 787</b>





**BUDGET 2013**  
ESTIMATES OF NATIONAL EXPENDITURE

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