

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 3 COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure 2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also 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.



"We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves."

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

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	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	252.1	245.9	0.1	6.1	259.2	274.6
Policy, Research and Knowledge Management	21.1	21.1	–	–	24.3	25.8
Governance and Intergovernmental Relations	44 618.8	45.8	44 572.9	0.0	50 341.3	53 009.6
National Disaster Management Centre	650.8	50.2	598.3	2.3	657.1	669.3
Provincial and Municipal Government Systems	289.5	37.3	252.2	0.1	300.3	316.5
Infrastructure and Economic Development	17 268.6	2 290.4	14 978.0	0.2	17 941.7	19 832.8
Traditional Affairs	111.9	–	111.9	–	116.9	123.7
Total expenditure estimates	63 212.7	2 690.7	60 513.3	8.7	69 640.7	74 252.3

Executive authority Minister of Cooperative Governance and Traditional Affairs

Accounting officer Director General of Cooperative Governance

Website address www.cogta.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on 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, thereby ensuring that provinces and municipalities carry out their service delivery and development functions effectively.

Mandate

The Department of Cooperative Governance 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:

- develop policies and legislation to lead the building of capable, developmental and financially viable local governance institutions

- deepen participatory democracy through developing common standards and practices of accountability and good governance
- support planning and coordination efforts in provinces and municipalities in partnership with all sector departments, local government agencies, traditional institutions and organs of civil society
- foster sustainable infrastructure development and maintenance to ensure basic services delivery
- promote local economic development
- strengthen the department's capacity to deliver on its mandate.

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: National Disaster Management Centre

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: Transfer funds to the Department of Traditional Affairs, which promotes and coordinates research and information management and the development of policies and legislation on traditional affairs, and coordinates institutional development and capacity building programmes to enhance efficiency and effectiveness within the institutions of traditional affairs.

Selected performance indicators

Table 3.1 Cooperative Governance

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total number of municipalities with established municipal public accounts committees	Governance and Intergovernmental Relations	Outcome 9: a responsive, accountable, effective and efficient local government system	— ¹	28	278	278	278	278	278
Total number of municipalities supported to implement a revised national framework on funding for ward committees	Governance and Intergovernmental Relations		— ¹	40	70	84	278	278	278
Total number of fully functional disaster management centres across the three spheres of government	National Disaster Management Centre		30	40	40	62	62	62	62
Number of smaller municipalities supported to implement revised Integrated Development Planning Framework	Provincial and Municipal Government Systems		— ²	— ²	— ²	70	136	136	136
Total number of provinces supported in community development programme	Provincial and Municipal Government Systems		— ¹	9	9	9	9	9	9
Total number of provinces assessed in institutional capacity per year	Provincial and Municipal Government Systems		— ²	— ²	5	4	9	9	9
Value of municipalities' spending on municipal infrastructure grant per year	Infrastructure and Economic Development		R11.3bn	R11.5bn	R13.9bn	R14.4bn	R14.7bn	R15.1bn	R15.8bn
Number of work opportunities created through the community work programme per year	Infrastructure and Economic Development		89 689	105 218	205 494	172 000	187 000	197 000	362 000
Total number of municipalities (40 targeted municipalities) supported in implementing local economic development programmes per year	Infrastructure and Economic Development		— ¹	5	25	25	30	35	40
Total number of towns and cities implementing the Clean Cities and Towns programme	Infrastructure and Economic Development		— ¹	8	8	8	8	8	8

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 community work programme has created 172 000 job opportunities since its inception in 2010. Over the medium term, the community work programme will create additional job opportunities through new work sites in municipalities, as discussed in the subprogramme reporting below.

The national development plan also focuses on the need to produce and develop technical and specialist related skills in government to overcome the skills shortage, particularly at the local government level. In line with this, the department has established the Municipal Infrastructure Support Agency, which facilitates the deployment of engineers, scientists and technicians to municipalities that are struggling with infrastructure delivery. In

2012/13, the agency facilitated the placement of 68 technical professionals in 100 municipalities in all nine provinces. The long term strategy is to create a pool of skilled professionals who can play a critical role in infrastructure delivery within local government. In 2012/13, technical experts supported the implementation of 220 water supply projects, 128 sanitation infrastructure projects, 40 energy projects and 18 waste management infrastructure projects. Over the medium term, technical experts will continue to support targeted municipalities to assist them with project planning and implementation, infrastructure asset management, and provide capacity building programmes for technical staff.

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 (%)
R million	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	188.2	226.8	216.5	251.9	251.9	10.2%	0.4%	252.1	259.2	274.6	2.9%	0.4%
Policy, Research and Knowledge Management	16.8	17.2	17.1	20.5	20.5	6.8%	0.0%	21.1	24.3	25.8	8.0%	0.0%
Governance and Intergovernmental Relations	30 663.7	33 270.8	37 364.2	40 722.9	39 916.9	9.2%	71.0%	44 618.8	50 341.3	53 009.6	9.9%	71.0%
National Disaster Management Centre	283.1	80.7	114.1	705.4	455.4	17.2%	0.5%	650.8	657.1	669.3	13.7%	0.9%
Provincial and Municipal Government Systems	244.5	252.4	274.3	281.6	281.6	4.8%	0.5%	289.5	300.3	316.5	4.0%	0.4%
Infrastructure and Economic Development	10 363.4	12 285.1	15 341.3	16 371.4	16 371.4	16.5%	27.3%	17 268.6	17 941.7	19 832.8	6.6%	27.0%
Traditional Affairs	61.8	88.6	106.9	105.2	105.2	19.4%	0.2%	111.9	116.9	123.7	5.6%	0.2%
Total	41 821.4	46 221.6	53 434.4	58 458.9	57 402.9	11.1%	100.0%	63 212.7	69 640.7	74 252.3	9.0%	100.0%
Change to 2013 Budget estimate				206.2	(849.8)			(74.7)	(308.2)	592.0		

Economic classification

Current payments	551.8	582.5	1 635.4	2 143.5	2 143.5	57.2%	2.5%	2 690.7	2 955.4	4 187.2	25.0%	4.5%
Compensation of employees	157.0	196.2	216.6	245.1	245.1	16.0%	0.4%	256.6	271.8	288.5	5.6%	0.4%
Goods and services	394.7	386.2	1 418.8	1 898.4	1 898.4	68.8%	2.1%	2 434.1	2 683.7	3 898.7	27.1%	4.1%
of which:												
Administration fees	0.1	0.1	0.1	0.0	0.0	-18.5%	0.0%	0.1	0.2	0.3	82.8%	0.0%
Advertising	2.8	4.4	2.9	7.3	7.3	37.2%	0.0%	6.5	4.4	6.4	-4.2%	0.0%
Assets less than the capitalisation threshold	6.4	1.1	2.3	3.8	3.8	-15.8%	0.0%	1.9	2.2	2.4	-14.5%	0.0%
Audit costs: External	4.7	5.1	5.6	6.0	6.0	8.4%	0.0%	7.4	7.6	8.0	10.5%	0.0%
Bursaries: Employees	0.5	4.8	3.0	3.1	3.1	86.5%	0.0%	1.2	1.3	1.3	-24.9%	0.0%
Catering: Departmental activities	2.5	3.2	3.9	6.1	6.1	33.8%	0.0%	6.1	6.1	6.5	2.5%	0.0%
Communication	8.6	7.8	8.6	15.2	15.2	20.9%	0.0%	10.8	19.7	20.5	10.5%	0.0%
Computer services	32.0	17.2	19.1	56.5	56.5	20.8%	0.1%	69.3	71.9	75.8	10.3%	0.1%
Consultants and professional services: Business and advisory services	234.7	250.6	579.6	64.8	64.8	-34.9%	0.6%	81.2	74.7	80.3	7.4%	0.1%
Consultants and professional services: Legal costs	3.9	6.1	3.6	2.0	2.0	-19.6%	0.0%	5.0	5.2	5.5	39.3%	0.0%
Contractors	4.5	5.2	712.5	1 199.8	1 199.8	544.8%	1.0%	1 667.1	1 878.0	2 947.7	34.9%	2.9%
Agency and support / outsourced services	4.6	1.2	0.7	4.7	4.7	0.4%	0.0%	8.3	6.2	4.7	0.3%	0.0%
Entertainment	0.0	-	0.0	0.1	0.1	89.8%	0.0%	0.1	0.1	0.1	6.1%	0.0%
Inventory: Food and food supplies	-	-	-	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0	6.3%	0.0%
Inventory: Fuel, oil and gas	0.1	0.1	0.0	0.1	0.1	4.1%	0.0%	0.1	0.1	0.1	5.6%	0.0%
Inventory: Learner and teacher support material	0.0	0.0	-	0.0	0.0	35.7%	0.0%	0.0	0.0	0.0	11.9%	0.0%
Inventory: Materials and supplies	0.0	0.1	0.0	407.9	407.9	2016.8%	0.2%	450.0	480.0	605.5	14.1%	0.7%
Inventory: Medical supplies	0.0	0.0	0.0	0.0	0.0	-2.6%	0.0%	0.0	0.0	0.0	-12.6%	0.0%
Inventory: Other supplies	0.3	0.8	0.7	1.1	1.1	54.7%	0.0%	1.2	1.2	1.3	5.1%	0.0%
Consumable supplies	-	-	0.0	-	-	0.0%	0.0%	-	-	-	-	-
Consumable: Stationery, printing and office supplies	5.0	5.3	8.7	18.3	18.3	54.4%	0.0%	19.7	19.4	20.9	4.6%	0.0%
Operating leases	17.3	2.1	2.7	9.6	9.6	-17.8%	0.0%	7.9	7.6	8.2	-5.3%	0.0%
Property payments	37.2	37.0	22.2	41.1	41.1	3.3%	0.1%	41.3	44.8	46.7	4.4%	0.1%
Transport provided: Departmental activity	-	-	4.8	0.4	0.4	0.0%	0.0%	0.3	0.3	0.3	-4.9%	0.0%
Travel and subsistence	25.8	28.4	30.4	39.3	39.3	15.1%	0.1%	36.9	39.3	41.3	1.6%	0.1%
Training and development	0.5	1.1	1.3	3.3	3.3	83.9%	0.0%	3.2	3.5	4.8	13.7%	0.0%

Table 3.2 Cooperative Governance And Traditional Affairs

Economic classification				Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome								2014/15	2015/16	2016/17		
R million	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Operating payments	1.1	1.4	2.5	1.3	1.3	4.1%	0.0%	1.6	1.7	1.6	7.1%	0.0%
Venues and facilities	1.9	3.3	3.4	6.7	6.7	51.5%	0.0%	6.9	8.1	8.4	8.0%	0.0%
Interest and rent on land	0.1	0.1	–	–	–	-100.0%	0.0%	–	–	–		
Transfers and subsidies	41 252.5	45 630.3	51 782.3	56 304.4	55 248.4	10.2%	97.5%	60 513.3	66 676.1	70 055.4	8.2%	95.5%
Provinces and municipalities	40 671.3	44 884.2	51 322.8	55 842.9	54 786.9	10.4%	96.4%	60 024.5	66 169.5	69 522.1	8.3%	94.7%
Departmental agencies and accounts	148.1	165.6	323.8	435.3	435.3	43.2%	0.5%	477.2	494.5	520.6	6.1%	0.7%
Foreign governments and international organisations	0.1	0.2	0.3	–	–	-100.0%	0.0%	–	–	–		
Public corporations and private enterprises	189.6	179.7	–	–	–	-100.0%	0.2%	–	–	–		
Non-profit institutions	7.5	5.7	3.7	11.1	11.1	14.2%	0.0%	11.7	12.1	12.7	4.6%	0.0%
Households	235.9	394.8	131.8	15.0	15.0	-60.1%	0.4%	–	–	–	-100.0%	0.0%
Payments for capital assets	16.8	7.6	15.7	10.2	10.2	-15.3%	0.0%	8.7	9.2	9.7	-1.9%	0.0%
Machinery and equipment	16.8	7.6	15.7	9.5	9.5	-17.4%	0.0%	7.7	9.2	9.7	0.6%	0.0%
Software and other intangible assets	–	–	–	0.8	0.8		0.0%	1.0	–	–	-100.0%	0.0%
Payments for financial assets	0.3	1.2	0.9	0.8	0.8	43.3%	0.0%	–	–	–	-100.0%	0.0%
Total	41 821.4	46 221.6	53 434.4	58 458.9	57 402.9	11.1%	100.0%	63 212.7	69 640.7	74 252.3	9.0%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment														Number		
Number of funded posts		Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Cooperative Governance And Traditional Affairs																			
Salary level	554	–	472	216.6	0.5	528	245.1	0.5	525	256.6	0.5	525	271.8	0.5	525	288.5	0.5	-0.2%	100.0%
1 – 6	165	–	157	27.2	0.2	165	29.7	0.2	165	27.6	0.2	165	31.3	0.2	165	33.3	0.2	–	31.4%
7 – 10	116	–	100	27.0	0.3	115	36.1	0.3	116	31.3	0.3	116	33.5	0.3	116	35.8	0.3	0.3%	22.0%
11 – 12	106	–	87	37.7	0.4	103	53.2	0.5	103	56.7	0.6	103	59.4	0.6	103	62.0	0.6	–	19.6%
13 – 16	167	–	128	124.7	1.0	145	126.1	0.9	141	141.0	1.0	141	147.6	1.0	141	157.4	1.1	-0.9%	27.0%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on facilitating, monitoring and evaluating infrastructure delivery programmes, providing operational support, strengthening technical capacity in local government, and facilitating job creation through the *Infrastructure and Economic Development* programme. In addition, the *Governance and Intergovernmental Relations* programme will focus on strengthening the administration and financial capability of municipalities through the disbursement of the equitable share. These functions are carried out by the personnel on the department's funded establishment of 554 posts, 26 of which were vacant as at the end of November 2013. Spending on compensation of employees is set to decline over the medium term as the payment for personnel in both the Department of Traditional Affairs and Municipal Infrastructure Support Agency are now effected through transfer payments to the department and agency.

Over the medium term, spending on conditional and other fiscal transfers is expected to increase as a result of Cabinet approved budget changes within the local government, housing and community amenities and the employment programmes function. The largest increase in expenditure relates to R1.1 billion in 2016/17 for the expansion of the community work programme to increase the number of participants from 172 000 in 2013/14 to 362 000 in 2016/17. The Municipal Infrastructure Support Agency receives an additional allocation of R60 million over the medium term to expand infrastructure capacity to 80 municipalities and the municipal

disaster recovery grant receives an additional R59.1 million for the disasters that occurred in 2009 and 2010 in Limpopo, KwaZulu-Natal and Western Cape.

The budget includes a Cabinet approved baseline reduction of R850 million on the municipal infrastructure grant. The allocation for the community work programme has also been reduced by R132 million in 2014/15 and R31.6 million has been reprioritised from goods and services towards the monitoring of personnel to support the implementation of the municipal infrastructure grant.

Infrastructure spending

Infrastructure spending is allocated through the municipal infrastructure grant. Between 2010/11 and 2013/14, allocations increased at an average annual rate of 13.9 per cent, from R9.7 billion to R14.4 billion. In 2012/13, the municipal infrastructure grant provided 41 000 households with access to water services, 148 000 with basic sanitation and 10 600 with community lighting, and built 1 299 km of roads in communities. Infrastructure spending is set to gradually increase to R15.8 billion in 2016/17.

Departmental 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 (%)
	2010/11	2011/12	2012/13					2014/15	2015/16	2016/17		
R thousand												
Departmental receipts	241	1 092	984	871	871	53.5%	100.0%	918	950	963	3.4%	100.0%
Sales of goods and services produced by department	143	309	261	159	159	3.6%	27.4%	161	163	171	2.5%	17.7%
Sales by market establishments	143	158	166	159	159	3.6%	19.6%	161	163	171	2.5%	17.7%
of which:												
Rental parking: Covered and open	93	95	113	104	104	3.8%	12.7%	106	108	110	1.9%	11.6%
Commission: Insurance and garnishees	45	63	48	50	50	3.6%	6.5%	50	55	56	3.8%	5.7%
Sale of Assets <R5000	1	–	1	1	1	–	0.1%	1	–	1	–	0.1%
Reimbursement of goods issued	1	–	1	1	1	–	0.1%	1	–	1	–	0.1%
Replacement of security cards	3	–	3	3	3	–	0.3%	3	–	3	–	0.2%
Other sales	–	151	95	–	–	–	7.7%	–	–	–	–	–
of which:												
Capital equipment	–	151	95	–	–	–	7.7%	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	6	2	1	2	2	-30.7%	0.3%	5	5	5	35.7%	0.5%
of which:												
Sales of paper	6	2	1	2	2	-30.7%	0.3%	5	5	5	35.7%	0.5%
Interest, dividends and rent on land	3	2	–	2	2	-12.6%	0.2%	2	2	2	–	0.2%
Interest	3	2	–	2	2	-12.6%	0.2%	2	2	2	–	0.2%
Transactions in financial assets and liabilities	89	779	722	708	708	99.6%	72.1%	750	780	785	3.5%	81.7%
Total	241	1 092	984	871	871	53.5%	100.0%	918	950	963	3.4%	100.0%

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 (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Ministry	35 088	26 879	35 036	31 463	-3.6%	14.5%	30 968	32 408	34 435	3.1%	12.5%
Management	7 934	12 318	12 828	16 262	27.0%	5.6%	20 116	21 067	22 566	11.5%	7.7%
Chief Operating Officer	12 376	34 921	16 297	16 405	9.8%	9.1%	20 878	21 599	22 415	11.0%	7.8%
Corporate Services	47 366	70 943	78 460	92 816	25.1%	32.8%	80 790	82 785	87 696	-1.9%	33.2%
Financial Services	33 675	20 667	24 521	28 043	-5.9%	12.1%	29 027	30 221	32 124	4.6%	11.5%
Communication and Liaison	10 159	12 138	11 423	16 958	18.6%	5.7%	14 155	12 561	13 553	-7.2%	5.5%
Legislation Review and Drafting	6 332	10 246	6 378	8 757	11.4%	3.6%	11 483	11 952	12 714	13.2%	4.3%
Internal Audit and Risk Management	3 641	9 611	8 283	9 051	35.5%	3.5%	10 630	10 995	11 654	8.8%	4.1%
Office Accommodation	31 588	29 124	23 248	32 107	0.5%	13.1%	34 033	35 598	37 485	5.3%	13.4%
Total	188 159	226 847	216 474	251 862	10.2%	100.0%	252 080	259 186	274 642	2.9%	100.0%
Change to 2013 Budget estimate				32 887			24 952	25 701	(149)		

Table 3.5 Administration

Economic classification	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Current payments	182 713	211 455	201 507	243 172	10.0%	95.0%	245 900	252 640	267 749	3.3%	97.3%
Compensation of employees	73 888	106 765	106 086	120 639	17.8%	46.1%	114 965	120 053	126 671	1.6%	46.5%
Goods and services	108 724	104 609	95 421	122 533	4.1%	48.8%	130 935	132 587	141 078	4.8%	50.8%
of which:											
Administration fees	81	92	73	42	-19.7%	–	120	221	272	86.4%	0.1%
Advertising	2 699	3 395	1 893	5 193	24.4%	1.5%	4 454	2 443	4 318	-6.0%	1.6%
Assets less than the capitalisation threshold	1 025	864	1 878	2 610	36.6%	0.7%	626	353	479	-43.2%	0.4%
Audit costs: External	4 672	5 058	5 552	5 951	8.4%	2.4%	7 393	7 598	8 040	10.5%	2.8%
Bursaries: Employees	484	3 894	1 183	1 139	33.0%	0.8%	1 207	1 263	1 330	5.3%	0.5%
Catering: Departmental activities	1 300	1 811	2 194	1 758	10.6%	0.8%	1 880	1 760	1 954	3.6%	0.7%
Communication	7 512	6 461	6 685	12 375	18.1%	3.7%	7 888	16 719	17 449	12.1%	5.2%
Computer services	10 641	7 501	14 162	9 660	-3.2%	4.8%	11 204	10 483	11 083	4.7%	4.1%
Consultants and professional services: Business and advisory services	7 516	8 930	4 133	4 594	-15.1%	2.8%	10 763	6 395	7 331	16.9%	2.8%
Consultants and professional services: Legal costs	3 923	6 012	3 455	2 041	-19.6%	1.7%	5 005	5 235	5 513	39.3%	1.7%
Contractors	3 747	1 166	2 923	5 070	10.6%	1.5%	4 797	3 267	2 801	-17.9%	1.5%
Agency and support / outsourced services	1 396	32	56	2 908	27.7%	0.5%	5 522	4 128	2 713	-2.3%	1.5%
Entertainment	12	–	1	50	60.9%	–	53	56	59	5.7%	–
Inventory: Fuel, oil and gas	70	84	3	79	4.1%	–	84	88	93	5.6%	–
Inventory: Learner and teacher support material	2	1	–	10	71.0%	–	12	13	14	11.9%	–
Inventory: Materials and supplies	18	54	29	28	15.9%	–	24	33	34	6.7%	–
Inventory: Medical supplies	13	12	17	12	-2.6%	–	8	8	8	-12.6%	–
Inventory: Other supplies	167	806	632	282	19.1%	0.2%	304	312	328	5.2%	0.1%
Consumable supplies	–	–	29	–	–	–	–	–	–	–	–
Consumable: Stationery, printing and office supplies	2 622	2 898	4 856	5 522	28.2%	1.8%	5 733	4 398	5 182	-2.1%	2.0%
Operating leases	7 346	1 255	2 379	4 091	-17.7%	1.7%	4 000	3 914	4 143	0.4%	1.6%
Property payments	37 219	36 964	22 042	39 078	1.6%	15.3%	41 335	44 835	46 732	6.1%	16.6%
Transport provided: Departmental activity	–	–	4 828	378	–	0.6%	295	309	325	-4.9%	0.1%
Travel and subsistence	14 773	14 198	12 982	13 811	-2.2%	6.3%	13 386	12 902	13 632	-0.4%	5.2%
Training and development	235	823	654	2 015	104.7%	0.4%	1 824	2 229	3 510	20.3%	0.9%
Operating payments	663	974	1 327	1 104	18.5%	0.5%	1 037	1 126	1 180	2.2%	0.4%
Venues and facilities	588	1 324	1 455	2 732	66.9%	0.7%	1 981	2 499	2 555	-2.2%	0.9%
Interest and rent on land	101	81	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	120	7 243	1 070	100	-5.9%	1.0%	100	100	104	1.3%	–
Provinces and municipalities	16	14	20	100	84.2%	–	100	100	104	1.3%	–
Households	104	7 229	1 050	–	-100.0%	0.9%	–	–	–	–	–
Payments for capital assets	5 054	6 956	12 983	7 790	15.5%	3.7%	6 080	6 446	6 789	-4.5%	2.6%
Machinery and equipment	5 054	6 956	12 983	7 040	11.7%	3.6%	5 080	6 446	6 789	-1.2%	2.4%
Software and other intangible assets	–	–	–	750	–	0.1%	1 000	–	–	-100.0%	0.2%
Payments for financial assets	272	1 193	914	800	43.3%	0.4%	–	–	–	-100.0%	0.1%
Total	188 159	226 847	216 474	251 862	10.2%	100.0%	252 080	259 186	274 642	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.5%	0.4%	0.4%			0.4%	0.4%	0.4%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	16	14	20	100	84.2%	–	100	100	104	1.3%	–
Municipal Services	7	–	–	–	-100.0%	–	–	–	–	–	–
Vehicle Licences	9	14	20	100	123.1%	–	100	100	104	1.3%	–
Households											
Social benefits											
Current	104	7 229	1 050	–	-100.0%	0.9%	–	–	–	–	–
Employee social benefits	104	7 229	1 050	–	-100.0%	0.9%	–	–	–	–	–

Personnel information

Table 3.6 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Administration																				
Salary level	294	–	271	106.1	0.4	294	120.6	0.4	294	115.0	0.4	294	120.1	0.4	294	126.7	0.4	–	100.0%	
1 – 6	128	–	123	20.3	0.2	128	22.1	0.2	128	20.0	0.2	128	22.3	0.2	128	23.6	0.2	–	43.5%	
7 – 10	65	–	58	15.4	0.3	65	21.6	0.3	65	15.9	0.2	65	16.9	0.3	65	18.0	0.3	–	22.1%	
11 – 12	48	–	46	21.0	0.5	48	28.3	0.6	48	28.9	0.6	48	27.4	0.6	48	28.6	0.6	–	16.3%	
13 – 16	53	–	44	49.4	1.1	53	48.7	0.9	53	50.2	0.9	53	53.5	1.0	53	56.4	1.1	–	18.0%	

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will continue to be on improving the department's administrative capacity and governance, and providing for property management costs and operating leases associated with the department's office accommodation. This is the reason for the increase in spending on compensation of employees and goods and services over this period. The fluctuating spending in the *Corporate Services* subprogramme between 2010/11 and 2013/14 was mainly due to the personnel changes caused by the departmental restructuring in 2009 and the security personnel whose contracts end in March 2014.

Spending on property payments and travel and subsistence for the personnel monitoring the implementation of the local government turnaround strategy in the office of the chief operations officer are the reasons for the significant proportion of the department's budget spent on goods and services over the medium term. The increase in property payments between 2010/11 and 2013/14 was to cover property management and operating lease costs to accommodate the increase in personnel needed to support the implementation and monitoring of the community work programme and the Department of Traditional Affairs. At the end of November 2013, the programme had a funded establishment of 294 posts, all of which were filled.

Spending on consultants over the MTEF period provides for legal work emanating from litigation relating to traditional disputes and claims, conducting internal and external monitoring, and reviewing performance reporting and evaluation within the department and municipalities. The department does not have internal capacity to perform these functions.

Programme 2: Policy, Research and Knowledge Management

Objectives

- Improve service delivery by providing quarterly evidence based research and policy analyses to inform policy making.
- Improve accountability in municipalities and efficiency in the department's operations through monitoring mechanisms, systems and structures that will enable an integrated service delivery by implementing the knowledge and information management strategy, which includes managing and promoting the local government resource centre, by March 2015.

Subprogrammes

- *Management: Research and Policy* provides strategic leadership to the programme to ensure compliance and the achievement of department targets in line with broader government priorities. This subprogramme had a staff complement of 3 at the end of November 2013.
- *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, and

conducts research on key challenges facing local government. Weekly research alerts are also provided to the department, highlighting events in the municipal and provincial environment regarding service delivery, local economic development and public participation matters, and profiles of municipalities are developed and updated in support of political visits. In 2012/13, an in-depth research report on protests from 2004 to 2010, including case studies of the 2012 Ratanda and Sharpeville protests, was completed. In addition, analyses were completed on the implication of the audit outcomes for 2011/12; a report on infrastructure delivery progress; and 4 research papers on support towards service delivery, financial management and audit outcomes were completed in 2013/14. This subprogramme had a staff complement of 7 at the end of November 2013.

- *Knowledge and Information Management* provides knowledge and information management products and services in the department, and ensures the facilitation of knowledge and information management in local government. In 2012/13, there was an intervention on the development of a corporate portal, 2 business processes were automated and file plans and a legal library were established. The key outputs for 2013/14 included the development and launch of the Cogtanet corporate portal as a platform to improve internal knowledge and information sharing and the implementation of electronic boardroom and correspondence processes to enhance the business operation and promote efficiencies. This subprogramme had a staff complement of 16 at the end of November 2013.

Expenditure estimates

Table 3.7 Policy, Research and Knowledge Management

Subprogramme	Audited outcome			Adjusted Appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Management: Research and Policy	1 874	2 780	3 164	5 790	45.6%	19.0%	4 250	5 121	5 434	-2.1%	22.5%
Policy and Research Methods	1 753	6 609	5 760	6 466	54.5%	28.8%	6 846	6 589	6 986	2.6%	29.3%
Knowledge and Information Management	13 179	7 780	8 138	8 245	-14.5%	52.2%	9 983	12 625	13 394	17.6%	48.2%
Total	16 806	17 169	17 062	20 501	6.8%	100.0%	21 079	24 335	25 814	8.0%	100.0%
Change to 2013 Budget estimate				(28 991)			(31 252)	(32 471)	(2)		
Economic classification											
Current payments	16 791	17 075	16 919	20 501	6.9%	99.6%	21 079	24 335	25 814	8.0%	100.0%
Compensation of employees	12 318	12 414	11 792	12 150	-0.5%	68.0%	9 694	14 405	15 549	8.6%	56.5%
Goods and services	4 473	4 661	5 127	8 351	23.1%	31.6%	11 385	9 930	10 265	7.1%	43.5%
of which:											
Advertising	9	11	28	315	227.1%	0.5%	336	128	132	-25.2%	1.0%
Assets less than the capitalisation threshold	—	103	74	110	—	0.4%	116	122	128	5.2%	0.5%
Catering: Departmental activities	80	84	121	428	74.9%	1.0%	510	575	603	12.1%	2.3%
Communication	207	279	237	173	-5.8%	1.3%	185	192	202	5.3%	0.8%
Computer services	—	270	39	920	—	1.7%	975	1 750	1 843	26.1%	6.0%
Consultants and professional services:	1 590	1 837	1 260	1 540	-1.1%	8.7%	3 578	2 509	2 979	24.6%	11.6%
Business and advisory services											
Contractors	12	17	71	50	60.9%	0.2%	50	52	49	-0.7%	0.2%
Agency and support / outsourced services	115	—	—	427	54.8%	0.8%	1 204	365	178	-25.3%	2.4%
Entertainment	—	—	—	15	—	—	16	17	18	6.3%	0.1%
Inventory: Learner and teacher support material	2	28	—	—	-100.0%	—	—	—	—	—	—
Inventory: Materials and supplies	—	1	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	4	2	39	4	—	0.1%	4	4	4	—	—
Consumable: Stationery, printing and office supplies	1 124	1 018	1 807	902	-7.1%	6.8%	970	1 012	1 066	5.7%	4.3%
Operating leases	126	51	78	51	-26.0%	0.4%	54	56	59	5.0%	0.2%
Travel and subsistence	1 012	824	678	2 893	41.9%	7.6%	2 412	2 339	2 344	-6.8%	10.9%
Training and development	11	23	78	128	126.6%	0.3%	136	143	154	6.4%	0.6%
Operating payments	1	38	584	96	357.9%	1.0%	451	272	90	-2.1%	1.0%
Venues and facilities	180	75	33	299	18.4%	0.8%	388	394	416	11.6%	1.6%
Payments for capital assets	15	94	143	—	-100.0%	0.4%	—	—	—	—	—
Machinery and equipment	15	94	143	—	-100.0%	0.4%	—	—	—	—	—
Total	16 806	17 169	17 062	20 501	6.8%	100.0%	21 079	24 335	25 814	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.0%	0.0%	0.0%	0.0%			0.0%	0.0%	0.0%		

Personnel information

Table 3.8 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Policy, Research and Knowledge Management																				
Salary level	26	–	24	11.8	0.5	26	12.2	0.5	26	9.7	0.4	26	14.4	0.6	26	15.5	0.6	–	100%	
1 – 6	9	–	9	2.7	0.3	9	1.7	0.2	9	2.1	0.2	9	3.1	0.3	9	3.6	0.4	–	34.6%	
7 – 10	6	–	6	1.9	0.3	6	2.4	0.4	6	2.9	0.5	6	3.4	0.6	6	3.6	0.6	–	23.1%	
11 – 12	6	–	5	2.7	0.5	6	3.3	0.6	6	0.9	0.1	6	3.9	0.6	6	4.0	0.7	–	23.1%	
13 – 16	5	–	4	4.5	1.1	5	4.8	1.0	5	3.7	0.7	5	4.1	0.8	5	4.3	0.9	–	19.2%	

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on providing technical policy and research support to the department to improve the service delivery performance of municipalities, and conducting research on key challenges facing local government in the *Knowledge and Information* subprogramme. In addition, the department will continue to focus on managing and promoting the local government resources centre as a single repository for local government information and knowledge. Consultants perform the work related to managing the centre, developing the corporate knowledge management portal and setting up a legal library. Thus spending on consultants over the MTEF period is expected to increase at an average annual rate of 24.6 per cent. The number of personnel in this programme is expected to remain at 26 over the MTEF period.

The increase in expenditure between 2010/11 to 2013/14 in the *Policy and Research Methods* subprogramme at an average annual rate of 54.5 per cent was mainly due to the ongoing research at provincial and local government.

Programme 3: Governance and Intergovernmental Relations

Objectives

- 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 (2013) on an ongoing basis.
- Support municipalities' efforts to increase revenue by monitoring the implementation of the Municipal Property Rates Act (2004) and, where required, providing guidance to municipalities, by March 2015.
- Strengthen the capacity and functionality of ward committees by providing support to municipalities in the development and implementation of ward level operational plans by March 2015.
- Contribute to the reduction of incidences of corruption in municipalities by forming ethics committees in municipalities, which will ensure that allegations of corruption are investigated and concluded, by March 2015.
- Contribute to the improvement of local government audit outcomes by providing technical support to municipalities to implement post-audit action plans that will improve financial management, revenue enhancement and audit outcomes in local government by March 2015.
- Strengthen coordination and cooperation in intergovernmental relations by finalising functionality assessments of intergovernmental structures at each sphere of government and produce guidelines that will improve their coordination abilities, by March 2015.

Subprogrammes

- *Management: Governance* provides strategic leadership by planning, monitoring and coordinating the deliverables of the programme, such as to strengthen intergovernmental fiscal relations, intergovernmental relations and support local government with the aim of improving the audit outcomes. This subprogramme had a staff complement of 12 at the end of November 2013.
- *Intergovernmental Relations Coordination* administers the Intergovernmental Relations Framework Act (2005). In 2012/13, key outputs included a bill on support, monitoring and intervention being submitted to Cabinet and the finalisation of a report on the functionality of the structure of district intergovernmental relations. In 2013/14, a key activity was the continuation of the assessment of the functionality of intergovernmental relations structures across each sphere of government. Functionality guidelines with performance indicators were also drafted for district municipalities. This subprogramme had a staff complement of 8 at the end of November 2013.
- *Intergovernmental Fiscal Relations* strengthens intergovernmental fiscal relations through local government equitable share transfers, manages the municipal infrastructure grant and municipal systems improvement grant transfers to municipalities, and manages the Municipal Property Rates Act (2004). In 2012/13, key activities included finalising draft amendments to the Municipal Property Rates Act (2004) and paying non-returning councillors. Key activities in 2013/14 included providing support to Parliament in processing the Municipal Property Rates Amendment Bill after Cabinet had approved the bill. This subprogramme had a staff complement of 18 at the end of November 2013.
- *Governance and Public Participation* promotes an environment for good governance and public participation by supporting provinces and municipalities to strengthen their governance and coordinating capabilities. In 2012/13, the key activities were the training of ward committee members and the assessment of the functionality of ward committees. A key output in 2013/14 was the submission of the Intergovernmental Monitoring, Support and Intervention Bill to Cabinet. This subprogramme had a staff complement of 5 at the end of November 2013.
- *South African Local Government Association* transfers funds to the South African Local Government Association, a 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.
- *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.
- *South African Cities Network* transfers funds to the South African Cities Network, which enables cooperation between South African cities and maximises benefits through the exchange of information. This subprogramme's total budget is transferred in full to the network.
- *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.
- *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 for the provision of free basic services to poor households, and the funding of institutional capacity and support to weaker municipalities in poorer areas. This subprogramme's total budget is transferred in full to the municipalities.

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 (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Management: Governance	18 547	4 098	4 471	8 931	-21.6%	—	16 549	17 227	18 059	26.5%	—
Intergovernmental Relations Coordination	1 453	3 623	5 576	6 483	64.6%	—	9 915	10 342	10 973	19.2%	—
Intergovernmental Fiscal Relations	8 362	17 352	140 953	27 259	48.3%	0.1%	13 102	13 678	14 610	-18.8%	—
Governance and Public Participation	978	2 758	2 903	5 998	83.0%	—	6 292	6 593	6 990	5.2%	—
South African Local Government Association	49 125	25 486	26 726	25 999	-19.1%	0.1%	26 904	27 855	29 331	4.1%	0.1%
Municipal Demarcation Board	37 187	38 482	40 362	42 152	4.3%	0.1%	44 230	45 793	48 220	4.6%	0.1%
South African Cities Network	5 104	5 282	3 693	5 786	4.3%	—	6 071	6 286	6 619	4.6%	—
United Cities and Local Government of Africa	2 364	434	—	5 331	31.1%	—	5 594	5 792	6 099	4.6%	—
Local Government Equitable Share	30 540 558	33 173 239	37 139 477	40 595 010	10.0%	99.6%	44 490 145	50 207 698	52 868 706	9.2%	99.7%
Total	30 663 678	33 270 754	37 364 161	40 722 949	9.9%	100.0%	44 618 802	50 341 264	53 009 607	9.2%	100.0%
Change to 2013 Budget estimate				16 223			(2 000)	(2 000)	153		

Economic classification

Current payments	29 329	22 909	23 348	33 651	4.7%	0.1%	45 838	47 817	50 608	14.6%	0.1%
Compensation of employees	18 273	17 347	18 779	22 346	6.9%	0.1%	25 684	26 926	28 703	8.7%	0.1%
Goods and services	11 056	5 562	4 569	11 305	0.7%	—	20 154	20 891	21 905	24.7%	—
of which:											
Advertising	—	13	—	139	—	—	32	33	34	-37.5%	—
Assets less than the capitalisation threshold	—	—	2	35	—	—	35	487	513	144.7%	—
Catering: Departmental activities	174	48	281	699	59.0%	—	1 142	855	899	8.7%	—
Communication	204	196	216	466	31.7%	—	462	476	502	2.5%	—
Computer services	—	103	—	360	—	—	339	209	220	-15.1%	—
Consultants and professional services: Business and advisory services	3 443	2 969	1 185	2 926	-5.3%	—	7 868	7 239	8 513	42.8%	—
Consultants and professional services: Legal costs	—	40	149	—	—	—	—	—	—	—	—
Contractors	530	—	—	702	9.8%	—	1 150	2 069	1 268	21.8%	—
Agency and support / outsourced services	76	—	—	533	91.4%	—	665	731	770	13.0%	—
Entertainment	—	—	—	5	—	—	5	5	5	—	—
Inventory: Materials and supplies	—	—	—	2	—	—	2	2	2	—	—
Inventory: Other supplies	—	2	3	30	—	—	32	33	35	5.3%	—
Consumable: Stationery, printing and office supplies	659	301	306	1 256	24.0%	—	1 280	1 570	1 653	9.6%	—
Operating leases	126	2	13	44	-29.6%	—	402	54	57	9.0%	—
Travel and subsistence	5 609	1 315	2 165	2 839	-20.3%	—	4 039	3 706	3 829	10.5%	—
Training and development	9	26	11	192	177.3%	—	204	213	224	5.3%	—
Operating payments	16	192	32	49	45.2%	—	55	258	272	77.1%	—
Venues and facilities	210	355	206	1 028	69.8%	—	2 442	2 951	3 109	44.6%	—
Transfers and subsidies	30 634 338	33 247 845	37 340 813	40 689 278	9.9%	99.9%	44 572 944	50 293 424	52 958 975	9.2%	99.9%
Provinces and municipalities	30 540 558	33 173 239	37 139 477	40 595 010	10.0%	99.6%	44 490 145	50 207 698	52 868 706	9.2%	99.7%
Departmental agencies and accounts	86 312	63 968	67 088	68 151	-7.6%	0.2%	71 134	73 648	77 551	4.4%	0.2%
Non-profit institutions	7 468	5 716	3 693	11 117	14.2%	—	11 665	12 078	12 718	4.6%	—
Households	—	4 922	130 555	15 000	—	0.1%	—	—	—	-100.0%	—
Payments for capital assets	11	—	—	20	22.1%	—	20	23	24	6.3%	—
Machinery and equipment	11	—	—	20	22.1%	—	20	23	24	6.3%	—
Total	30 663 678	33 270 754	37 364 161	40 722 949	9.9%	100.0%	44 618 802	50 341 264	53 009 607	9.2%	100.0%
Proportion of total programme expenditure to vote expenditure	73.3%	72.0%	69.9%	69.7%			70.6%	72.3%	71.4%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	30 540 558	33 173 239	37 139 477	40 595 010	10.0%	99.6%	44 490 145	50 207 698	52 868 706	9.2%	99.7%
Local government equitable share	30 540 558	33 173 239	37 139 477	40 595 010	10.0%	99.6%	44 490 145	50 207 698	52 868 706	9.2%	99.7%

Expenditure estimates

Table 3.9 Governance and Intergovernmental Relations

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	86 312	63 968	67 088	68 151	-7.6%	0.2%	71 134	73 648	77 551	4.4%	0.2%
South African Local Government Association	49 125	25 486	26 726	25 999	-19.1%	0.1%	26 904	27 855	29 331	4.1%	0.1%
Municipal Demarcation Board	37 187	38 482	40 362	42 152	4.3%	0.1%	44 230	45 793	48 220	4.6%	0.1%
Households											
Social benefits											
Current	–	4 922	130 555	15 000	–	0.1%	–	–	–	-100.0%	–
Ex-councillors	–	4 922	130 555	15 000	–	0.1%	–	–	–	-100.0%	–
Non-profit institutions											
Current	7 468	5 716	3 693	11 117	14.2%	–	11 665	12 078	12 718	4.6%	–
South African Cities Network	5 104	5 282	3 693	5 786	4.3%	–	6 071	6 286	6 619	4.6%	–
United Cities and Local Government of Africa	2 364	434	–	5 331	31.1%	–	5 594	5 792	6 099	4.6%	–

Personnel information

Table 3.10 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment														Number			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2012/13			2013/14			2014/15			2015/16					2016/17			2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Governance and Intergovernmental Relations			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	43	–	38	18.8	0.5	43	22.3	0.5	44	25.7	0.6	44	26.9	0.6	44	28.7	0.7	0.8%	100.0%	
1 – 6	5	–	4	0.1	0.0	5	1.5	0.3	5	0.8	0.2	5	1.0	0.2	5	1.1	0.2	–	11.4%	
7 – 10	8	–	8	1.4	0.2	8	2.9	0.4	9	2.9	0.3	9	3.1	0.3	9	3.3	0.4	4.0%	20.0%	
11 – 12	14	–	12	2.2	0.2	14	3.2	0.2	14	7.9	0.6	14	8.5	0.6	14	8.9	0.6	–	32.0%	
13 – 16	16	–	14	15.1	1.1	16	14.8	0.9	16	14.0	0.9	16	14.3	0.9	16	15.4	1.0	–	36.6%	

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on monitoring and supporting municipalities through municipal infrastructure grant expenditure engagements. Conducted by the *Intergovernmental Fiscal Relations* and *Governance and Public Relations* subprogramme, the engagements include project appraisals at district level and monthly coordination meetings. The department will also continue with the development of regulations and guidelines and will conduct workshops to assist municipalities to implement the Municipal Property Rates Amendment Bill to enhance municipal revenue collection. The department engages consultants to perform the municipal engagements and workshops. This involves the hiring of venues and facilities, the evaluation of valuation rolls and the provision of transaction advisory services for the rollout of smart metres by local government. This explains the significant increase in spending on consultants within goods and services over the MTEF period.

The local government equitable share, transferred to municipalities to fund the provision of free basic services to poor households, is the largest contributor to this programme, making up 99.7 per cent of the programme's budget in 2013/14. Municipalities were allocated additional funding after the introduction of a new formula in July 2013 that provides for improved funding to municipalities with higher poverty rates. The new formula will be phased in over a five-year period to mitigate the impact of the change.

The increase in spending in the *Intergovernmental Fiscal Relations* subprogramme in 2012/13 was due to a rollover allocation and a budget augmentation in the 2013 adjustment process for a once-off payment to non-returning councillors whose term ended after the May 2011 local government elections.

Programme 4: National Disaster Management Centre

Objectives

- Support the establishment and operation of effective fire services and disaster management by :
 - enhancing the fire services legislative framework by developing a draft Fire Services Bill by March 2015, to ensure that the legislation is responsive to the changing conditions in the sector
 - ensuring the promulgation of the Disaster Management Amendment Bill by March 2015.
- Enhance and strengthen capacity in the disaster risk management fraternity by developing and implementing an integrated national disaster risk management education and training framework by March 2015.
- Create public awareness of disaster reduction by rolling out the disaster risk reduction advocacy and awareness programmes, such as the International Day for Disaster Reduction in provinces by March 2015.

Subprogrammes

- *Management: Head of Disaster* provides strategic leadership to the programme. This subprogramme had a staff complement of 5 at the end of November 2013.
- *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, key activities were related to the development of the draft Disaster Management Amendment Bill, which was submitted to Cabinet and published in the Government Gazette and national newspapers. A discussion paper on fire brigade services was also published for public comment. In 2013/14, the focus was on continuing to provide support to establish and operationalise disaster management centres, and developing a white paper on fire brigade services. This subprogramme had a staff complement of 6 at the end of November 2013.
- *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, the focus was on the provision of disaster risk management bursaries to 15 new and 7 second-year students pursuing a master's degree in disaster management; rolling out public awareness campaigns; funding Jambá, a journal of disaster risk studies; enhancing the national disaster risk management education and training framework; and engaging the services of consultants for the independent assessment and verification of disaster damages and aerial support to municipalities. In 2013/14, the disaster management plan and national disaster risk management education and training framework were developed. In addition, there was another student intake for the national disaster management centre bursary and studentship scheme. This subprogramme had a staff complement of 12 at the end of November 2013.
- *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, an early warning and capability management system to ascertain national indicative risk in terms of flooding was developed. In 2013/14, the focus was on developing the ICT strategic plan for the national disaster management centre to foster a closer relationship between the branch's business and its ICT unit, to translate the business objectives into ICT initiatives, and to detail a list of ICT initiatives in support of the business strategy. This subprogramme had a staff complement of 11 at the end of November 2013.
- *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 amounted to R47 million. In 2013/14, KwaZulu-Natal, Limpopo and North West received transfers for disasters of R34.1 million, R87.7 million and R43.6 million.

- *Municipal Disaster Recovery Grant* is a conditional grant, which aims to repair infrastructure damaged by disasters that occurred in 2009 and 2010 in Limpopo, KwaZulu-Natal and Western Cape.

Expenditure estimates

Table 3.11 National Disaster Management Centre

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
Management: Head of Disaster	8 642	8 620	8 188	7 754	-3.5%	2.8%	6 027	6 328	6 729	-4.6%	1.0%
Legislation, Policy and Compliance Management	41 218	6 473	6 407	7 581	-43.1%	5.2%	6 186	6 474	6 877	-3.2%	1.0%
Planning Coordination and Support	1 596	12 768	10 102	13 452	103.5%	3.2%	13 906	14 318	15 166	4.1%	2.1%
Intelligence and Information Systems Management	16 710	5 514	15 386	23 669	12.3%	5.2%	26 435	27 420	28 943	6.9%	4.0%
Disaster Relief Transfers	214 926	47 283	74 030	534 600	35.5%	73.6%	560 952	580 768	611 548	4.6%	85.3%
Municipal Disaster Recovery Grant	—	—	—	118 340	—	10.0%	37 302	21 805	—	-100.0%	6.6%
Total	283 092	80 658	114 113	705 396	35.6%	100.0%	650 808	657 113	669 263	-1.7%	100.0%
Change to 2013 Budget estimate				120 340			37 302	21 805	(1)		
Economic classification											
Current payments	56 933	32 885	37 604	50 281	-4.1%	15.0%	50 207	52 091	55 137	3.1%	7.7%
Compensation of employees	6 592	15 958	19 929	19 895	44.5%	5.3%	20 801	21 930	23 377	5.5%	3.2%
Goods and services	50 341	16 927	17 675	30 386	-15.5%	9.7%	29 406	30 161	31 760	1.5%	4.5%
of which:											
Administration fees	1	2	—	—	-100.0%	—	—	—	—	—	—
Advertising	90	234	12	51	-17.2%	—	54	59	62	6.7%	—
Assets less than the capitalisation threshold	5 404	87	191	207	-66.3%	0.5%	221	242	255	7.2%	—
Bursaries: Employees	—	955	1 815	2 000	—	0.4%	—	—	—	-100.0%	0.1%
Catering: Departmental activities	107	336	215	451	61.5%	0.1%	276	294	310	-11.7%	—
Communication	93	227	337	390	61.3%	0.1%	409	387	407	1.4%	0.1%
Computer services	21 199	9 248	3 683	7 050	-30.7%	3.5%	7 646	8 048	8 473	6.3%	1.2%
Consultants and professional services:	11 175	913	6 188	8 860	-7.4%	2.3%	14 281	14 152	14 743	18.5%	1.9%
Business and advisory services											
Contractors	177	—	116	—	-100.0%	—	—	—	—	—	—
Agency and support / outsourced services	21	—	—	—	-100.0%	—	—	—	—	—	—
Entertainment	—	—	—	10	—	—	11	14	14	11.9%	—
Inventory: Materials and supplies	24	1	3	—	-100.0%	—	—	—	—	—	—
Inventory: Other supplies	124	8	13	500	59.2%	0.1%	523	549	578	5.0%	0.1%
Consumable supplies	—	—	7	—	—	—	—	—	—	—	—
Consumable: Stationery, printing and office supplies	172	523	793	301	20.5%	0.2%	277	279	294	-0.8%	—
Operating leases	9 617	732	7	3 780	-26.7%	1.2%	1 644	1 699	1 904	-20.4%	0.3%
Property payments	—	—	152	2 000	—	0.2%	—	—	—	-100.0%	0.1%
Travel and subsistence	1 120	3 083	2 950	3 931	52.0%	0.9%	3 257	3 587	3 825	-0.9%	0.5%
Training and development	234	36	358	403	19.9%	0.1%	424	446	469	5.2%	0.1%
Operating payments	450	14	382	26	-61.3%	0.1%	27	28	29	3.7%	—
Venues and facilities	333	528	453	426	8.6%	0.1%	356	377	397	-2.3%	0.1%
Transfers and subsidies	214 398	47 283	74 243	652 940	44.9%	83.6%	598 254	602 573	611 548	-2.2%	91.9%
Provinces and municipalities	214 398	47 283	74 030	652 940	44.9%	83.6%	598 254	602 573	611 548	-2.2%	91.9%
Households	—	—	213	—	—	—	—	—	—	—	—
Payments for capital assets	11 761	490	2 266	2 175	-43.0%	1.4%	2 347	2 449	2 578	5.8%	0.4%
Machinery and equipment	11 761	490	2 266	2 175	-43.0%	1.4%	2 347	2 449	2 578	5.8%	0.4%
Total	283 092	80 658	114 113	705 396	35.6%	100.0%	650 808	657 113	669 263	-1.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.2%	0.2%	1.2%			1.0%	0.9%	0.9%		
Details of transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	—	32 147	73 180	346 500	—	38.2%	363 580	376 424	396 374	4.6%	55.3%
Municipal Disaster Grant	—	32 147	73 180	346 500	—	38.2%	363 580	376 424	396 374	4.6%	55.3%
Capital	—	—	—	118 340	—	10.0%	37 302	21 805	—	-100.0%	6.6%
Municipal Disaster Recovery Grant	—	—	—	118 340	—	10.0%	37 302	21 805	—	-100.0%	6.6%
Households											
Social benefits											
Current	—	—	184	—	—	—	—	—	—	—	—
Employee Social Benefits	—	—	184	—	—	—	—	—	—	—	—

Expenditure estimates

Table 3.11 National Disaster Management Centre

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Households											
Other transfers to households											
Current	–	–	29	–	–	–	–	–	–	–	–
Employee social benefits	–	–	29	–	–	–	–	–	–	–	–
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	214 398	15 136	850	188 100	-4.3%	35.4%	197 372	204 344	215 174	4.6%	30.0%
Provincial disaster grant	214 398	15 136	850	188 100	-4.3%	35.4%	197 372	204 344	215 174	4.6%	30.0%

Personnel information

Table 3.12 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment														Number					
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
			2012/13			2013/14			2014/15			2015/16					2016/17			2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost			
National Disaster Management Centre			34	–	–	30	19.9	0.7	34	19.9	0.6	34	20.8	0.6	34	21.9	0.6	34	23.4	0.7	–	100.0%
Salary level	34	–	30	19.9	0.7	34	19.9	0.6	34	20.8	0.6	34	21.9	0.6	34	23.4	0.7	–	100.0%			
1 – 6	3	–	2	0.4	0.2	3	0.5	0.2	3	0.4	0.1	3	0.4	0.1	3	0.4	0.1	–	8.8%			
7 – 10	11	–	9	3.2	0.4	11	3.2	0.3	11	3.3	0.3	11	3.5	0.3	11	3.7	0.3	–	32.4%			
11 – 12	8	–	8	4.5	0.6	8	5.1	0.6	8	4.8	0.6	8	5.1	0.6	8	5.4	0.7	–	23.5%			
13 – 16	12	–	11	11.9	1.1	12	11.1	0.9	12	12.4	1.0	12	13.0	1.1	12	13.9	1.2	–	35.3%			

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

2. Rand million.

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 affected by disasters. The grant is transferred through the *Disaster Relief Transfers* subprogramme, which is the biggest spending item over the medium term. The grant allows provinces and municipalities to respond timeously to the immediate needs of affected communities after disasters have occurred. The disaster relief envisaged would include the repair of infrastructure that supports basic services and the provision of environmental health and humanitarian relief within three months following the declaration. Over the medium term, expenditure in the *Disaster Relief Transfer* subprogramme is expected to increase to R611.5 million, at an average annual rate of 4.6 per cent. The introduction of the municipal disaster recovery grant includes funding for ongoing municipal disaster recovery in Limpopo, KwaZulu-Natal and Western Cape for disasters that occurred in 2009 and 2010.

Spending on consultants over the MTEF period will be to assist with the development of the monitoring and evaluation system for post-disaster recovery and rehabilitation funding, and to provide an independent assessment and verification of damages after the declaration of a disaster.

Programme 5: Provincial and Municipal Government Systems

Objectives

- Support provinces in discharging their mandate towards local government by implementing the diagnostic report on provincial institutional capacity to support local government, and preparing an action plan by March 2015.

- Enhance the capacity of municipalities by developing and implementing uniform standard systems and procedures for municipal staff, as per the revised Municipal Systems Act (2013), by March 2015.
- Ensure the integrated provision of services to communities by facilitating focused capacity building support interventions in 136 municipalities to implement the revised integrated development plans, by March 2015.
- Enhance the planning, programme and project management capacity of municipalities by institutionalising the geographic information system and provide training on data packaging that will assist municipalities with the effective execution of service delivery projects, by March 2015.

Subprogrammes

- *Management: Provincial and Local Government Support* provides strategic leadership to the programme. This subprogramme had a staff complement of 4 at the end of November 2013.
- *Provincial Government Support and Intervention* aims to strengthen provincial government policies and governance systems. In 2012/13, an institutional capacity assessment of the provincial departments responsible for local government was conducted, and the guidelines on provincial monitoring of municipalities and non-performance and maladministration in terms of sections 105 and 106 of the Municipal Systems Act (2000) were developed. In 2013/14, provinces were supported in implementing these guidelines. Workshops were also held to improve development planning and monitoring capacity to support a differentiated approach to municipal planning. This subprogramme had a staff complement of 12 at the end of November 2013.
- *Local Government Support and Intervention* provides uniform norms and standards for human resources in local public administration and coordinates the implementation of capacity building programmes within local government. In 2012/13, draft regulations setting uniform standards for all municipal employees were developed. Municipalities were also supported through workshops to develop and implement recruitment and retention strategies. In 2013/14, the key focus was on the implementation of the human resource related regulations emanating from the revised Municipal Systems Act (2000), and the coordination and facilitation of capacity building initiatives. This subprogramme had a staff complement of 16 at the end of November 2013.
- *Development Planning* provides support to provinces and municipalities to strengthen intergovernmental planning and attain development planning outcomes. In 2012/13, the focus was on finalising the revised integrated development plan framework and providing support to provinces in conducting integrated development plan assessments. In 2013/14, the key focus was on the development of an urban development concept paper and the establishment of a panel of experts to manage the integrated urban development framework and revised integrated development plan framework. This subprogramme had a staff complement of 19 at the end of November 2013.
- *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 the municipalities.

Expenditure estimates

Table 3.13 Provincial and Municipal Government Systems

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Management: Provincial and Local Government Support	2 227	9 682	13 579	5 017	31.1%	2.9%	6 696	7 020	7 441	14.0%	2.2%
Provincial Government Support and Intervention	28 654	6 755	6 489	7 128	-37.1%	4.7%	7 400	7 681	8 161	4.6%	2.6%
Local Government Support and Intervention	507	7 321	14 939	15 636	213.6%	3.6%	14 899	15 854	16 782	2.4%	5.3%
Development Planning	1 111	8 443	9 195	13 539	130.1%	3.1%	8 361	8 642	9 192	-12.1%	3.3%
Municipal Systems Improvement Grant	212 000	220 210	230 096	240 307	4.3%	85.7%	252 152	261 060	274 896	4.6%	86.6%
Total	244 499	252 411	274 298	281 627	4.8%	100.0%	289 508	300 257	316 472	4.0%	100.0%
Change to 2013 Budget estimate				9 560			3 300	3 500	-		

Table 3.13 Provincial and Municipal Government Systems

Economic classification					Average growth rate (%)	Expenditure/total: Average (%)				Average growth rate (%)	Expenditure/total: Average (%)
	Audited outcome			Adjusted appropriation			Medium-term expenditure estimate				
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	32 499	32 193	43 954	41 220	8.2%	14.2%	37 256	39 092	41 466	0.2%	13.4%
Compensation of employees	27 447	22 912	26 665	22 281	-6.7%	9.4%	24 485	25 593	27 251	6.9%	8.4%
Goods and services	5 052	9 281	17 289	18 939	55.3%	4.8%	12 771	13 499	14 215	-9.1%	5.0%
of which:											
Administration fees	1	—	3	—	-100.0%	—	—	—	—	—	—
Advertising	17	207	317	48	41.3%	0.1%	50	52	54	4.0%	—
Assets less than the capitalisation threshold	—	26	143	57	—	—	59	63	66	5.0%	—
Catering: Departmental activities	568	583	413	1 115	25.2%	0.3%	498	818	834	-9.2%	0.3%
Communication	368	279	618	635	19.9%	0.2%	566	568	598	-2.0%	0.2%
Computer services	203	93	814	95	-22.4%	0.1%	100	105	111	5.3%	—
Consultants and professional services: Business and advisory services	551	1 065	6 420	10 274	165.2%	1.7%	7 302	7 678	7 979	-8.1%	2.8%
Contractors	10	294	262	3 095	576.4%	0.3%	100	67	70	-71.7%	0.3%
Agency and support / outsourced services	102	—	5	—	-100.0%	—	—	—	—	—	—
Entertainment	—	—	—	2	—	—	2	2	2	—	—
Inventory: Food and food supplies	—	—	—	10	—	—	10	11	12	6.3%	—
Inventory: Materials and supplies	—	—	1	—	—	—	—	—	—	—	—
Inventory: Other supplies	1	6	7	24	188.4%	—	24	27	28	5.3%	—
Consumable supplies	—	—	10	—	—	—	—	—	—	—	—
Consumable: Stationery, printing and office supplies	275	355	621	606	30.1%	0.2%	1 180	1 372	1 408	32.4%	0.4%
Operating leases	97	24	125	15	-46.3%	—	16	91	96	85.7%	—
Travel and subsistence	2 424	5 930	6 901	1 667	-11.7%	1.6%	2 015	2 005	2 282	11.0%	0.7%
Training and development	31	135	42	361	126.7%	0.1%	456	241	254	-11.1%	0.1%
Operating payments	19	80	160	14	-9.7%	—	14	15	16	4.6%	—
Venues and facilities	385	204	427	921	33.7%	0.2%	379	384	405	-24.0%	0.2%
Transfers and subsidies	212 000	220 210	230 096	240 307	4.3%	85.7%	252 152	261 060	274 896	4.6%	86.6%
Provinces and municipalities	212 000	220 210	230 096	240 307	4.3%	85.7%	252 152	261 060	274 896	4.6%	86.6%
Payments for capital assets	—	8	248	100	—	—	100	105	110	3.2%	—
Machinery and equipment	—	8	248	100	—	—	100	105	110	3.2%	—
Total	244 499	252 411	274 298	281 627	4.8%	100.0%	289 508	300 257	316 472	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.6%	0.5%	0.5%	0.5%			0.5%	0.4%	0.4%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	212 000	220 210	230 096	240 307	4.3%	85.7%	252 152	261 060	274 896	4.6%	86.6%
Municipal systems improvement grant	212 000	220 210	230 096	240 307	4.3%	85.7%	252 152	261 060	274 896	4.6%	86.6%

Personnel information

Table 3.14 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2012/13			2013/14			2014/15			2015/16					2016/17			2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Provincial and Municipal Government Systems			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	51	–	43	26.7	0.6	51	22.3	0.4	51	24.5	0.5	51	25.6	0.5	51	27.3	0.5	–	100.0%	
1 – 6	7	–	7	1.5	0.2	7	1.3	0.2	7	1.4	0.2	7	1.5	0.2	7	1.6	0.2	–	13.7%	
7 – 10	17	–	13	3.7	0.3	17	3.4	0.2	17	3.5	0.2	17	3.7	0.2	17	4.0	0.2	–	33.3%	
11 – 12	11	–	8	3.8	0.5	11	4.0	0.4	11	4.5	0.4	11	4.7	0.4	11	5.1	0.5	–	21.6%	
13 – 16	16	–	15	17.8	1.2	16	13.6	0.9	16	15.1	0.9	16	15.7	1.0	16	16.6	1.0	–	31.4%	

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

2. Rand million.

Expenditure trends

The spending focus over the medium term is on: supporting municipalities to implement the Municipal Systems Act (2000) and build geographic information systems capacity; training officials in municipalities on the development of geographic information systems; reviewing a framework on intergovernmental planning; coordinating and supporting integrated urban development and management across government and various stakeholders; and monitoring the implementation of regulations. These activities are supported by the increase in spending in the *Local Government Support* and *Intervention and Development Planning* subprogrammes over the medium term.

The programme's allocation is dominated by the *Municipal Systems Improvement Grant* subprogramme, which accounts for 85.3 per cent of the total budget in 2013/14. The grant is used to build in-house capacity in 150 municipalities to perform their legislated functions and to stabilise institutional and governmental systems as required by the Municipal Systems Act (2000).

Spending on consultants is projected to decline over the MTEF period as personnel capacity within the programme has increased and capacity is built within municipalities. The work undertaken by consultants over the MTEF period will be for work related to the implementation of the remuneration framework and the regulation of senior managers at municipalities. This programme has an establishment of 51 funded posts, all of which were filled at the end of November 2013.

Programme 6: Infrastructure and Economic Development

Objectives

- Promote economic development within local government by supporting 25 municipalities with:
 - reviewing municipal local economic development strategies by March 2015
 - developing collaborative partnerships with local private sectors by March 2015
 - promoting a business enabling environment in municipal areas through the red tape reduction programme by March 2015
 - implementing the local economic development strategy by March 2015.
- Contribute to the progressive realisation of access to free basic services by supporting 150 municipalities in the rollout of the national indigent policy for free basic services by March 2015.
- Create work opportunities and provide income security to the unemployed in the most marginalised communities by increasing the number of participants in the community work programme to 362 000 participants by March 2017.

Subprogrammes

- *Management Infrastructure* provides strategic oversight for the programme. This subprogramme had a staff complement of 2 at the end of November 2013.
- *Local Economic Development Planning* supports the planning and implementation of local economic development programmes in provincial and local governments within the national framework. In 2012/13, 3 business development forums were developed in district municipalities and memoranda of understanding were signed with the private sector in a partnership to improve service delivery. In 2013/14, the focus was on the new framework for local economic development, the expansion of the business development forums to new municipalities, the red tape reduction programme in partnership with the Department of Trade and Industry, and the monitoring of the partnerships between private businesses and municipalities. This subprogramme had a staff complement of 13 at the end of November 2013.
- *Infrastructure Development* supports provinces and municipalities with the implementation of the free basic services programme and infrastructure planning that informs capital investment priorities within their integrated development plans. In 2012/13, the subprogramme monitored the implementation of municipal infrastructure grant projects and the rollout of free basic services. In 2013/14, key activities were to support municipalities to improve their non-financial reporting of the municipal infrastructure grant; improve monitoring, reporting and evaluation of the municipal infrastructure grant programme; and improve access

to free basic services through better policies for the indigent. This subprogramme had a staff complement of 35 at the end of November 2013.

- *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 the municipalities.
- *Community Work Programme* is discussed in more detail below.
- *Municipal Infrastructure Support Agency* 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 (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Management: Infrastructure	18 997	8 986	5 317	3 293	-44.2%	0.1%	13 152	14 663	15 241	66.7%	0.1%
Local Economic Development Planning	357	4 876	6 685	8 250	184.8%	—	8 018	8 386	8 915	2.6%	—
Infrastructure Development	1 036	11 527	10 509	11 976	126.1%	0.1%	11 572	11 159	12 087	0.3%	0.1%
Municipal Infrastructure Grant	9 704 312	11 443 490	13 879 162	14 354 531	13.9%	90.8%	14 683 835	15 098 070	15 766 819	3.2%	83.9%
Community Work Programme	449 085	623 524	1 289 922	1 731 326	56.8%	7.5%	2 257 840	2 505 413	3 710 368	28.9%	14.3%
Municipal Infrastructure Support Agency	189 590	192 745	149 714	262 040	11.4%	1.5%	294 162	304 013	319 368	6.8%	1.7%
Total	10 363 377	12 285 148	15 341 309	16 371 416	16.5%	100.0%	17 268 579	17 941 704	19 832 798	6.6%	100.0%
Change to 2013 Budget estimate				56 197			(107 000)	(324 730)	591 999		

Economic classification											
Current payments	233 538	265 961	1 312 109	1 754 685	95.9%	6.6%	2 290 432	2 539 466	3 746 449	28.8%	14.5%
Compensation of employees	18 517	20 804	33 356	47 751	37.1%	0.2%	60 939	62 870	66 996	11.9%	0.3%
Goods and services	215 021	245 157	1 278 753	1 706 934	99.5%	6.3%	2 229 493	2 476 596	3 679 453	29.2%	14.1%
of which:											
Administration fees	—	—	—	3	—	—	3	3	3	—	—
Advertising	—	511	602	1 532	—	—	1 623	1 699	1 789	5.3%	—
Assets less than the capitalisation threshold	—	32	38	817	—	—	868	907	956	5.4%	—
Catering: Departmental activities	304	300	660	1 623	74.8%	—	1 766	1 847	1 945	6.2%	—
Communication	229	337	501	1 169	72.2%	—	1 252	1 310	1 380	5.7%	—
Computer services	—	—	365	38 435	—	0.1%	49 062	51 319	54 039	12.0%	0.3%
Consultants and professional services: Business and advisory services	210 436	234 876	560 457	36 615	-44.2%	1.9%	37 435	36 733	38 749	1.9%	0.2%
Contractors	—	3 718	709 169	1 190 912	—	3.5%	1 661 006	1 872 572	2 943 509	35.2%	10.7%
Agency and support / outsourced services	2 878	1 176	640	782	-35.2%	—	862	972	1 024	9.4%	—
Inventory: Materials and supplies	1	2	—	407 850	7316.0%	0.8%	450 000	480 000	605 440	14.1%	2.7%
Inventory: Other supplies	—	10	8	255	—	—	270	282	297	5.2%	—
Consumable: Stationery, printing and office supplies	107	169	353	9 670	348.8%	—	10 255	10 728	11 296	5.3%	0.1%
Operating leases	11	27	123	1 647	431.0%	—	1 756	1 827	1 924	5.3%	—
Travel and subsistence	823	3 012	4 753	14 171	158.2%	—	11 765	14 753	15 372	2.7%	0.1%
Training and development	6	97	195	170	204.9%	—	181	189	199	5.4%	—
Operating payments	—	77	30	9	—	—	9	9	8	-3.9%	—
Venues and facilities	226	813	859	1 274	78.0%	—	1 380	1 446	1 523	6.1%	—
Transfers and subsidies	10 129 834	12 019 141	14 029 155	14 616 571	13.0%	93.4%	14 977 997	15 402 083	16 086 187	3.2%	85.5%
Provinces and municipalities	9 704 312	11 443 490	13 879 162	14 354 531	13.9%	90.8%	14 683 835	15 098 070	15 766 819	3.2%	83.9%
Departmental agencies and accounts	—	13 067	149 714	262 040	—	0.8%	294 162	304 013	319 368	6.8%	1.7%
Foreign governments and international organisations	119	208	279	—	-100.0%	—	—	—	—	—	—
Public corporations and private enterprises	189 590	179 678	—	—	-100.0%	0.7%	—	—	—	—	—
Households	235 813	382 698	—	—	-100.0%	1.1%	—	—	—	—	—
Payments for capital assets	5	46	45	160	217.5%	—	150	155	162	0.4%	—
Machinery and equipment	5	46	45	160	217.5%	—	150	155	162	0.4%	—
Total	10 363 377	12 285 148	15 341 309	16 371 416	16.5%	100.0%	17 268 579	17 941 704	19 832 798	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	24.8%	26.6%	28.7%	28.0%			27.3%	25.8%	26.7%		

Table 3.15 Infrastructure and Economic Development

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	9 704 312	11 443 490	13 879 162	14 354 531	13.9%	90.8%	14 683 835	15 098 070	15 766 819	3.2%	83.9%
Municipal infrastructure grant	9 704 312	11 443 490	13 879 162	14 354 531	13.9%	90.8%	14 683 835	15 098 070	15 766 819	3.2%	83.9%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	13 067	149 714	262 040	–	0.8%	294 162	304 013	319 368	6.8%	1.7%
Municipal Infrastructure Support Agency	–	13 067	149 714	262 040	–	0.8%	294 162	304 013	319 368	6.8%	1.7%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	189 590	179 678	–	–	-100.0%	0.7%	–	–	–	–	–
Municipal Infrastructure Support Agency	189 590	179 678	–	–	-100.0%	0.7%	–	–	–	–	–
Households											
Other transfers to households											
Current	235 813	382 698	–	–	-100.0%	1.1%	–	–	–	–	–
Community Work Programme	235 813	382 698	–	–	-100.0%	1.1%	–	–	–	–	–
Foreign governments and international organisations											
Current	119	208	279	–	-100.0%	–	–	–	–	–	–
Common Wealth to Local Government Forum	119	208	279	–	-100.0%	–	–	–	–	–	–

Personnel information

Table 3.16 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment													Number			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Infrastructure and Economic Development																			
Salary level	106	–	66	33.4	0.5	80	47.8	0.6	76	60.9	0.8	76	62.9	0.8	76	67.0	0.9	-1.7%	100.0%
1 – 6	13	–	12	2.2	0.2	13	2.6	0.2	13	2.8	0.2	13	2.9	0.2	13	3.0	0.2	–	16.9%
7 – 10	9	–	6	1.5	0.2	8	2.6	0.3	8	2.9	0.4	8	3.0	0.4	8	3.1	0.4	–	10.4%
11 – 12	19	–	8	3.5	0.4	16	9.4	0.6	16	9.7	0.6	16	9.9	0.6	16	10.1	0.6	–	20.8%
13 – 16	65	–	40	26.2	0.7	43	33.1	0.8	39	45.6	1.2	39	47.1	1.2	39	50.8	1.3	-3.2%	51.9%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will continue to be on monitoring transfers of the municipal infrastructure grant to supplement the capital budgets of municipalities to eradicate backlogs in municipal infrastructure. The grant made up 90.8 per cent of programme expenditure between 2010/11 and 2013/14. The department will also focus on supporting the Municipal Infrastructure Support Agency, which deploys specialist technical experts to targeted municipalities to assist them with project planning, implementation and infrastructure asset management, and providing capacity building programmes for technical staff in municipalities.

Expenditure in the *Community Work Programme* subprogramme is expected to increase to R3.7 billion over the medium term, which will allow the number of targeted participants to increase to 362 000 in 234 municipalities by 2016/17. The funding for the *Municipal Infrastructure Support Agency* subprogramme is projected to increase to R319.4 million in 2016/17 to assist 80 low capacity municipalities, especially in rural areas, with technical experts and artisans.

Furthermore, the department expects to implement the local economic development strategy, develop indigent registers, conduct evaluations of free basic services and review the municipal infrastructure grant policy

framework in conjunction with the local government conditional grant review. This is reflected in the increase in spending from 2013/14 in the *Local Economic Development Planning and Management: Infrastructure* subprogrammes. The increased spending mostly provides for an increase in personnel numbers, from 66 in 2012/13 to 76 in 2016/17. Spending on compensation of employees is thus projected to increase from R33.4 million to R67.0 million over the same period. The increase is funded in part by a reprioritisation of operational funds from computer services and consultants in the *Management: Infrastructure* subprogramme to strengthen the monitoring and evaluation capacity in the *Municipal Infrastructure Grant* subprogramme.

Subprogramme: Community Work Programme

This subprogramme contributes to the development of public assets in poor communities, provides income security and work experience for participants, and promotes social and economic inclusion. The programme is managed through the 3 lead implementing agents, each heading the programme in three provinces, who are responsible for the day-to-day project management function of the community work programme. Key activities in 2013/14 included the development of the information management system and the review of the delivery model of the programme, which involved the revision of the three-layer implementing model. The model will be phased out and replaced by a single layer of implementing agents from 2014/15, to improve efficiency. Between 2010/11 and 2013/14, the community work programme increased targeted work opportunities to 172 000 in 140 municipalities.

Expenditure estimates

Table 3.17 Community Work Programme

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	213 272	240 797	1 289 922	1 731 326	101.0%	84.9%	2 257 840	2 505 413	3 710 368	28.9%	100.0%
Compensation of employees	—	5 823	17 508	32 828	—	1.4%	35 876	36 739	39 164	6.1%	1.4%
Goods and services	213 272	234 974	1 272 414	1 698 498	99.7%	83.5%	2 221 964	2 468 674	3 671 204	29.3%	98.6%
of which:											
Advertising	—	443	482	1 532	—	0.1%	1 623	1 699	1 789	5.3%	0.1%
Assets less than the capitalisation threshold	—	—	—	766	—	—	812	849	894	5.3%	—
Catering: Departmental activities	4	99	244	1 021	534.3%	—	1 082	1 132	1 192	5.3%	—
Communication	—	46	203	766	—	—	812	849	894	5.3%	—
Computer services	—	—	186	38 147	—	0.9%	48 757	51 000	53 703	12.1%	1.9%
Consultants and professional services:	210 436	229 447	559 559	35 649	-44.7%	25.3%	35 986	36 339	38 265	2.4%	1.4%
Business and advisory services											
Contractors	—	3 718	709 120	1 190 912	—	46.5%	1 661 006	1 872 572	2 943 509	35.2%	75.1%
Agency and support / outsourced services	2 803	—	—	—	-100.0%	0.1%	—	—	—	—	—
Inventory: Materials and supplies	—	1	—	407 850	—	10.0%	450 000	480 000	605 440	14.1%	19.0%
Inventory: Other supplies	—	3	—	255	—	—	270	282	297	5.2%	—
Consumable: Stationery, printing and office supplies	—	26	211	9 179	—	0.2%	9 730	10 178	10 717	5.3%	0.4%
Operating leases	—	12	44	1 532	—	—	1 624	1 700	1 790	5.3%	0.1%
Travel and subsistence	29	531	1 770	10 123	604.1%	0.3%	9 450	11 224	11 819	5.3%	0.4%
Training and development	—	1	33	—	—	—	—	—	—	—	—
Operating payments	—	—	20	—	—	—	—	—	—	—	—
Venues and facilities	—	647	542	766	—	—	812	850	895	5.3%	—
Transfers and subsidies	235 813	382 698	—	—	-100.0%	15.1%	—	—	—	—	—
Households	235 813	382 698	—	—	-100.0%	15.1%	—	—	—	—	—
Payments for capital assets	—	29	—	—	—	—	—	—	—	—	—
Machinery and equipment	—	29	—	—	—	—	—	—	—	—	—
Total	449 085	623 524	1 289 922	1 731 326	56.8%	100.0%	2 257 840	2 505 413	3 710 368	28.9%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	4.3%	5.1%	8.4%	10.6%			13.1%	14.0%	18.7%		

Expenditure estimates

Table 3.19 Municipal Infrastructure Support Agency

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Transfers and subsidies	189 590	192 745	149 714	262 040	11.4%	100.0%	294 162	304 013	319 368	6.8%	11.6%
Departmental agencies and accounts	–	13 067	149 714	262 040	–	53.5%	294 162	304 013	319 368	6.8%	11.6%
Public corporations and private enterprises	189 590	179 678	–	–	-100.0%	46.5%	–	–	–	–	–
Total	189 590	192 745	149 714	262 040	11.4%	100.0%	294 162	304 013	319 368	6.8%	11.6%
Proportion of total subprogramme expenditure to programme expenditure	1.8%	1.6%	1.0%	1.6%			1.7%	1.7%	1.6%		

Expenditure trends

The spending focus over the MTEF period will be on improving the state of infrastructure in municipalities. This will be done by conducting diagnostic assessments of infrastructure needs, deploying technical expertise where required and implementing capacity building programmes for infrastructure related critical skills. Cabinet approved an additional allocation of R60 million over the medium term, which will enable the Municipal Infrastructure Support Agency to support 32 additional municipalities and employ an additional 53 technical consultants to provide engineering and project management skills. The agency was proclaimed as a government component in 2013, which changed the programme's allocation to a transfer payment.

Expenditure grew from R189.6 million in 2010/11 to R262 million in 2013/14 to allow for the deployment costs of 74 individual technical experts and 28 technical professional services to municipalities, which gives rise to the increase in spending on consultants over the period. Consultants were used due to a shortage of skills and staff in municipalities.

Programme 7: Traditional Affairs

Objectives

- Support the Department of Traditional Affairs to fulfil its mandate by transferring funds to the department over the medium term.

Subprogrammes

- *Traditional Affairs* makes transfers to the Department of Traditional Affairs, which is discussed in further detail below.

Expenditure estimates

Table 3.20 Traditional Affairs

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	
Department of Traditional Affairs	61 817	88 577	106 948	105 156	19.4%	100.0%	111 864	116 852	123 695	5.6%	100.0%
Total	61 817	88 577	106 948	105 156	19.4%	100.0%	111 864	116 852	123 695	5.6%	100.0%
Change to 2013 Budget estimate				–			–	–	–		
Economic classification											
Transfers and subsidies	61 817	88 577	106 948	105 156	19.4%	100.0%	111 864	116 852	123 695	5.6%	100.0%
Departmental agencies and accounts	61 817	88 577	106 948	105 156	19.4%	100.0%	111 864	116 852	123 695	5.6%	100.0%
Total	61 817	88 577	106 948	105 156	19.4%	100.0%	111 864	116 852	123 695	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.2%	0.2%	0.2%			0.2%	0.2%	0.2%		
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	61 817	88 577	106 948	105 156	19.4%	100.0%	111 864	116 852	123 695	5.6%	100.0%
Department of Traditional Affairs	61 817	88 577	106 948	105 156	19.4%	100.0%	111 864	116 852	123 695	5.6%	100.0%

Other departments within the vote

Department of Traditional Affairs

Table 3.21 Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	17.5	17.4	–	0.2	18.5	19.7
Policy and Legislation for Traditional Affairs	13.9	13.9	–	–	14.6	15.4
Institutional Support and Coordination	14.1	14.1	–	–	14.9	15.7
National House of Traditional Leaders	18.6	18.6	–	–	18.9	20.3
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	35.0	–	35.0	–	36.6	38.5
Commission on Traditional Leadership Disputes and Claims	12.7	12.5	–	0.2	13.3	14.1
Total expenditure estimates	111.9	76.5	35.0	0.4	116.9	123.7
Executive authority	Minister of Cooperative Governance and Traditional Affairs					
Accounting officer	Director General of Traditional Affairs					
Website address	www.dta.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on 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

Facilitate integrated traditional affairs for sustainable development and social cohesion in traditional communities.

Mandate

The Department of Traditional Affairs is mandated to support traditional leadership through legislation and regulation by developing knowledge and support frameworks to empower traditional communities. This mandate is derived from the following legislation:

- the Traditional Leadership and Governance Framework Act (2003)
- the National House of Traditional Leadership Act (2009)
- the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (2002).

Strategic goals

- The department's strategic goals over the medium term are to:
- empower the institutions of traditional leadership
- effectively implement policies and legislation relating to traditional affairs
- restore dignity to the institution of traditional leadership
- enhance the department's governance systems
- enhance information and knowledge management systems for the traditional affairs sector
- ensure good governance systems are in place for structures of traditional affairs
- promote the heritage of traditional, indigenous interfaith leadership and communities.

Selected performance indicators

Table 3.22 Traditional Affairs

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of traditional leadership disputes and claims cases finalised per year	Commission on Traditional Leadership Disputes and Claims	Outcome 9: a responsive, accountable, effective and efficient local government system	— ¹	32	249	300	350	400	450
Number of traditional councils engaged in service delivery and rural development initiatives per year	National House of Traditional Leaders		— ²	— ²	— ²	78	276	275	200

1. Department began measuring this indicator in 2011/12.

2. Department began measuring this indicator in 2013/14.

Objectives

- Promote good governance of entities and institutions of traditional leadership through the implementation of the capacity building plan and the corporate governance framework for traditional leaders by March 2015.
- Restore the dignity and integrity of the institution of traditional leadership through the resolution of historical disputes and claims of traditional leadership by March 2015.

Programmes

- Administration* provides strategic management, corporate services and administrative support to the Department of Traditional Affairs. This subprogramme had a staff complement of 22 at the end of November 2013.
- Policy and Legislation for Traditional Affairs* provides for the development, review, monitoring and implementation of policies and legislation relevant to traditional leadership nationally, and enhances knowledge management within traditional affairs. In 2012/13, legislative compliance reports were conducted for 7 provinces and draft formulas to determine the number of members of royal councils were developed and circulated for comment. In addition, the concept paper on *ukuthwala*, the practice of abducting young girls and forcing them into marriage was finalised. In 2013/14, Cabinet approved the National Traditional Affairs Bill. A research report on the role of headmen and headwomen in local government was also developed and their appointments were finalised. This subprogramme had a staff complement of 17 at the end of November 2013.
- Institutional Support and Coordination* provides systems and programmes for institutional development and capacity building, and coordinates partnerships within the institution to achieve cooperation and collaboration with all traditional affairs stakeholders. In 2012/13, a draft traditional affairs sector strategy aimed at improving and strengthening the coordination of traditional matters was completed and a report on the state of governance of traditional leadership was developed. In 2013/14, key activities included finalising a report on the comprehensive assessment of governance in traditional affairs. This subprogramme had a staff complement of 14 at the end of November 2013.
- National House of Traditional Leaders* represents the interests of traditional communities and traditional leaders, and provides advice to government on policies and programmes. In 2012/13, coordinated training on indigenous law was conducted to empower traditional leaders on issues of customary related legislation. The house also participated in programmes in the Department of Rural Development that deal with land ownership and use of land. In 2013/14, training was facilitated for 25 members of the executive committee on the interpretation of traditional leadership legislation. This subprogramme had a staff complement of 14 at the end of November 2013.
- 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.

- *Commission on Traditional Leadership Disputes and Claims* resolves claims and disputes at all levels of traditional leadership referred to the commission. In 2012/13, 249 traditional leadership disputes and claims were finalised. The commission plans to finalise 300 claims in 2013/14. This subprogramme had a staff complement of 11 at the end of November 2013.

Expenditure estimates

Table 3.23 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 (%)
	2010/11	2011/12	2012/13					2014/15	2015/16	2016/17		
R million												
Administration	12.5	11.2	12.8	19.5	19.5	16.0%	15.5%	17.5	18.5	19.7	0.2%	16.5%
Policy and Legislation for Traditional Affairs	6.6	14.0	14.7	13.4	13.4	26.9%	13.4%	13.9	14.6	15.4	4.7%	12.5%
Institutional Support and Coordination	0.3	11.5	13.2	13.8	13.8	260.6%	10.7%	14.1	14.9	15.7	4.2%	12.8%
National House of Traditional Leaders	15.8	19.2	20.3	14.1	14.1	-3.7%	19.1%	18.6	18.9	20.3	13.0%	15.7%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	24.4	22.4	34.2	32.5	32.5	10.0%	31.3%	35.0	36.6	38.5	5.8%	31.2%
Commission on Traditional Leadership Disputes and Claims	2.3	10.2	11.7	11.8	11.8	73.0%	9.9%	12.7	13.3	14.1	6.1%	11.3%
Total	61.8	88.6	106.9	105.2	105.2	19.4%	100.0%	111.9	116.9	123.7	5.6%	100.0%
Change to 2013 Budget estimate				-	-			-	-	-		

Economic classification

Current payments	36.7	65.5	70.7	72.3	72.3	25.4%	67.6%	76.5	79.9	84.8	5.5%	68.5%
Compensation of employees	17.3	36.4	41.3	45.0	45.0	37.6%	38.6%	47.3	48.0	50.6	4.0%	41.7%
Goods and services	19.4	29.1	29.5	27.3	27.3	12.0%	29.0%	29.3	31.9	34.2	7.8%	26.8%
of which:												
Administration fees	-	0.0	-	0.0	0.0		0.0%	0.2	0.2	0.2	185.4%	0.1%
Advertising	0.1	1.4	0.2	0.6	0.6	111.1%	0.6%	0.7	0.7	0.8	9.3%	0.6%
Assets less than the capitalisation threshold	0.0	0.3	0.1	0.2	0.2	65.0%	0.2%	0.2	0.2	0.2	4.7%	0.2%
Audit costs: External	-	-	-	0.0	0.0		0.0%	0.6	0.6	0.6	265.0%	0.4%
Bursaries: Employees	-	-	-	-	-			0.3	0.3	0.3		0.2%
Catering: Departmental activities	1.1	1.4	2.2	1.1	1.1	-0.5%	1.6%	1.0	1.0	1.0	-2.4%	0.9%
Communication	0.8	1.1	1.2	1.5	1.5	23.3%	1.3%	1.8	2.3	2.4	17.0%	1.8%
Computer services	1.2	-	0.0	0.4	0.4	-31.5%	0.4%	0.9	1.0	1.0	37.8%	0.7%
Consultants and professional services: Business and advisory services	1.4	2.6	1.2	1.3	1.3	-2.4%	1.8%	1.8	1.9	2.0	15.3%	1.6%
Consultants and professional services: Infrastructure and planning	-	-	-	1.2	1.2		0.3%	1.2	1.3	1.4	5.3%	1.1%
Consultants and professional services: Legal costs	0.1	1.0	4.1	0.3	0.3	45.8%	1.5%	0.6	0.7	0.8	32.5%	0.5%
Contractors	0.0	0.1	0.2	4.8	4.8	482.8%	1.4%	1.2	1.3	1.3	-34.7%	1.9%
Agency and support / outsourced services	0.4	-	-	0.2	0.2	-25.0%	0.1%	0.2	0.2	0.2	3.6%	0.1%
Entertainment	-	-	-	0.1	0.1		0.0%	0.1	0.1	0.1	-8.3%	0.1%
Inventory: Other supplies	0.0	0.0	0.0	-	-	-100.0%	0.0%	0.1	0.1	0.1		0.1%
Consumable supplies	-	-	-	-	-			0.3	0.3	0.3		0.2%
Consumable: Stationery, printing and office supplies	0.4	0.7	0.6	1.6	1.6	55.7%	0.9%	1.9	2.0	2.1	11.1%	1.7%
Operating leases	0.0	0.1	0.2	0.6	0.6	154.9%	0.2%	0.6	0.6	0.6	4.5%	0.5%
Property payments	0.2	0.7	0.5	0.1	0.1	-16.1%	0.4%	0.1	0.1	0.1	5.6%	0.1%
Travel and subsistence	11.7	17.9	17.3	10.3	10.3	-4.2%	15.8%	12.4	13.6	14.9	13.1%	11.2%
Training and development	0.1	0.1	0.3	0.7	0.7	124.5%	0.3%	1.0	1.0	1.1	18.2%	0.8%
Operating payments	0.0	0.3	0.2	0.9	0.9	261.7%	0.4%	0.7	0.8	0.8	-2.8%	0.7%
Venues and facilities	1.9	1.5	1.3	1.6	1.6	-5.3%	1.7%	1.4	1.7	1.8	3.9%	1.4%
Transfers and subsidies	24.4	22.4	36.1	32.5	32.5	10.0%	31.8%	35.0	36.6	38.5	5.8%	31.2%
Departmental agencies and accounts	24.4	22.4	34.2	32.5	32.5	10.0%	31.3%	35.0	36.6	38.5	5.8%	31.2%
Households	-	-	1.9	-	-		0.5%	-	-	-		
Payments for capital assets	0.7	0.7	0.1	0.4	0.4	-22.3%	0.5%	0.4	0.4	0.4	3.1%	0.3%
Machinery and equipment	0.7	0.7	0.1	0.4	0.4	-22.3%	0.5%	0.4	0.4	0.4	3.1%	0.3%
Total	61.8	88.6	106.9	105.2	105.2	19.4%	100.0%	111.9	116.9	123.7	5.6%	100.0%

Personnel information

Table 3.24 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment														Number		
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Traditional Affairs			76	41.3	0.5	78	45.0	0.6	78	44.4	0.6	78	46.8	0.6	78	49.3	0.6	-	100.0%
Salary level	78	-	76	41.3	0.5	78	45.0	0.6	78	44.4	0.6	78	46.8	0.6	78	49.3	0.6	-	100.0%
1 – 6	21	-	20	2.6	0.1	21	4.1	0.2	21	4.1	0.2	21	4.3	0.2	21	4.6	0.2	-	26.9%
7 – 10	10	-	12	2.9	0.2	10	3.4	0.3	10	3.6	0.4	10	3.8	0.4	10	4.0	0.4	-	12.8%
11 – 12	18	-	18	11.8	0.7	18	11.0	0.6	18	10.6	0.6	18	11.2	0.6	18	11.8	0.7	-	23.1%
13 – 16	29	-	26	24.0	0.9	29	26.4	0.9	29	26.0	0.9	29	27.4	0.9	29	28.9	1.0	-	37.2%

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

2. Rand million.

Expenditure trends

Over the medium term, the department will focus on strengthening the coordination of traditional affairs sector and forging partnerships to ensure that traditional leaders, Khoi and San leaders, and the interfaith sector play a central role in socioeconomic development, nation building, service delivery initiatives and the development of traditional communities in collaboration with government. The department will further extend its focus on other elements of its mandate, including social cohesion, heritage and the profiling of the 751 traditional councils over this period.

At 38.6 per cent of the programme budget between 2010/11 and 2013/14, spending on compensation of employees is the largest item and mainly provides for the appointment of research personnel to support the department's work on resolving traditional leadership claims and disputes, and for capacity in corporate and financial services. The number of personnel is expected to increase from 76 posts in 2012/13 to 78 posts in 2016/17. Spending on consultants, which is projected to increase over the medium term, provides for legal costs on litigation relating to traditional leadership dispute and claims. Consultants are used because the department currently lacks the internal capacity to perform this function.

Public entities and other agencies

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

Mandate and strategic goals

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities is a constitutional body, established in terms of section 181(1)(c) of the Constitution, which derives its mandate from the Cultural, Religious and Linguistic Communities Act (2002). The commission is mandated to protect and promote the cultural, religious and linguistic rights of 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
- promote the rights of communities to develop their historically diminished heritage
- recommend the establishment or recognition of community councils.

Selected performance indicators

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

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of research reports published per year	Research and policy development	Outcome 9: a responsive, accountable, effective and efficient local government system	— ¹	— ¹	5	12	12	12	12
Number of engagements with communities per year (dialogues, seminars and information sharing sessions)	Public education and advocacy		89	91	96	38	48	68	78
Number of regional community councils recognised per year	Community engagement		— ²	— ²	— ²	4	8	12	16
Number of local community councils recognised per year	Community engagement		— ³	— ³	— ³	— ³	16	32	40

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

2. Measurement of the indicator began in 2013/14.

3. Measurement of the indicator to begin in 2014/15.

Programmes/activities/objectives

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

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand					2010/11 - 2013/14					2013/14 - 2016/17	
Administration	16 381	16 711	20 840	21 653	9.7%	67.1%	22 337	25 344	25 665	5.8%	66.6%
Investigation and conflict resolution	1 197	1 140	1 644	2 788	32.6%	5.8%	2 626	3 139	3 561	8.5%	8.5%
Research and policy development	3 422	2 393	1 299	2 374	-11.5%	9.0%	2 286	2 774	3 171	10.1%	7.4%
Public education and advocacy	1 294	1 466	2 061	3 220	35.5%	6.9%	2 234	2 725	3 125	-1.0%	8.0%
Community engagement	1 287	1 543	8 667	2 468	24.2%	11.2%	5 490	2 600	2 999	6.7%	9.5%
Total expense	23 581	23 253	34 511	32 503	11.3%	100.0%	34 973	36 582	38 521	5.8%	100.0%

Expenditure estimates

Table 3.27 The Commission for the Promotion and Protection 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 (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand					2010/11 - 2013/14					2013/14 - 2016/17	
Revenue											
Non-tax revenue	982	202	307	150	-46.5%	1.5%	150	150	150	—	0.4%
Other non-tax revenue	982	202	307	150	-46.5%	1.5%	150	150	150	—	0.4%
Transfers received	24 401	22 378	34 227	32 503	10.0%	98.5%	34 973	36 582	38 520	5.8%	99.6%
Total revenue	25 383	22 580	34 534	32 653	8.8%	100.0%	35 123	36 732	38 670	5.8%	100.0%
Expenses											
Current expenses	23 581	23 253	34 511	32 503	11.3%	100.0%	34 973	36 582	38 521	5.8%	100.0%
Compensation of employees	11 425	13 318	16 592	18 490	17.4%	52.7%	21 894	25 475	28 074	14.9%	65.5%
Goods and services	11 692	9 539	17 496	14 012	6.2%	46.1%	12 656	10 642	9 936	-10.8%	33.5%
Depreciation	428	395	423	—	-100.0%	1.2%	423	465	511	—	1.0%
Interest, dividends and rent on land	36	1	—	1	-69.7%	0.0%	—	—	—	-100.0%	0.0%
Total expenses	23 581	23 253	34 511	32 503	11.3%	100.0%	34 973	36 582	38 521	5.8%	100.0%
Surplus/(Deficit)	1 802	(673)	23	150	-56.3%		150	150	149	-0.2%	
Statement of financial position											
Carrying value of assets	1 461	1 205	1 156	—	-100.0%	—	—	—	—	—	—
of which:											
Acquisition of assets	281	139	373	—	-100.0%	—	—	—	—	—	—
Loans	468	468	468	—	-100.0%	—	—	—	—	—	—
Receivables and prepayments	270	219	327	—	-100.0%	—	—	—	—	—	—
Cash and cash equivalents	688	595	2 258	—	-100.0%	—	—	—	—	—	—
Total assets	2 887	2 487	4 209	—	-100.0%	—	—	—	—	—	—
Accumulated surplus/(deficit)	562	(111)	(88)	—	-100.0%	—	—	—	—	—	—
Trade and other payables	1 486	1 871	3 214	—	-100.0%	—	—	—	—	—	—
Provisions	839	728	1 083	—	-100.0%	—	—	—	—	—	—
Total equity and liabilities	2 887	2 488	4 209	—	-100.0%	—	—	—	—	—	—

Personnel information

Table 3.28 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
			75	16.6	0.2	58	18.5	0.3	63	21.9	0.3	71	25.5	0.4	75	28.1	0.4	14.9%		100.0%
1 – 6	26	26	26	2.3	0.1	26	1.9	0.1	26	1.7	0.1	26	1.8	0.1	26	1.9	0.1	-0.2%	39.3%	
7 – 10	23	23	23	2.6	0.1	10	2.8	0.3	11	3.4	0.3	19	6.0	0.3	23	7.6	0.3	39.1%	23.0%	
11 – 12	15	15	15	5.7	0.4	13	6.2	0.5	15	7.2	0.5	15	7.6	0.5	15	7.9	0.5	8.8%	21.8%	
13 – 16	11	11	11	6.0	0.5	9	7.6	0.8	11	9.6	0.9	11	10.1	0.9	11	10.7	1.0	12.0%	15.8%	

1. Rand million.

Expenditure trends

Most of the commission's allocation is spent on compensation of employees, which increased significantly between 2010/11 and 2012/13 as a result of additional allocations to allow the commission to employ more researchers for its research and policy unit. As a result, the number of research reports published is expected to increase from 5 in 2012/13 to 12 over the medium term. As a result of the increase in personnel, expenditure on consultants is projected to decrease over the medium term as in-house capacity takes over the tasks performed by consultants. These tasks include the provision of editing, translating and auditing services.

The research and policy development programme will continue research initiatives on male initiation and circumcision and *ukuthwala*. In addition, the programme will focus on empowering the National House of Traditional Leaders, as well as provincial and local legislatures, to perform their roles and functions more effectively through the development and implementation of capacity building programmes by 2017.

Over the medium term, spending in the investigation and conflict resolution programme is set to increase from R2.8 million in 2013/14 to R3.7million in 2016/17 to support the commission's drive to investigate 180 cases over the MTEF period. These cases include resolving conflicts relating to the recognition of holy days and holidays and religious beliefs.

At the end of November 2013, the commission had a staff complement of 58 and this is expected to increase to 75 by 2016/17. Spending on compensation of employees is expected to increase over the MTEF period to provide for the increase in personnel numbers.

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 2 representatives to the Financial and Fiscal Commission, which advises government on budget issues. The association participates in intergovernmental structures at the provincial and district levels, and is therefore able to influence national and provincial legislation and gauge its impact on local government.

In accordance with its constitutional mandate, the association is obliged to transform the local government sector into one that has the required capacity to make a meaningful contribution to poverty alleviation, economic development, and those socioeconomic opportunities that it has been mandated by the state to provide for South Africa's people.

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

- deliver accessible, equitable and sustainable municipal services
- provide planning and socioeconomic development at the local level

- ensure effective human resources management in local government
- ensure that municipalities have the capacity to deliver services
- ensure the effective and efficient administration of the entity.

Selected performance indicators

Table 3.29 South African Local Government Association

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of municipalities advised and supported on implementing the impact of climate change framework	Municipal infrastructure and services	Outcome 9: A responsive, accountable, effective and efficient local government system	— ¹	50	150	37	— ¹	— ¹	— ¹
Number of municipalities piloted on the implementation of the spatial development framework guidelines per year.	Administration		5	0 ²	20	25	25	25	25
Number of guidelines on performance management system implemented for municipalities per year	Administration		— ³	— ³	— ³	27	36	36	36

1. Implementation commenced in 2011/12 and will be completed by 2014/15.

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

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

Programmes/activities/objectives

Table 3.30 South African Local Government Association

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2010/11 - 2013/14	Average (%)	2014/15	2015/16	2016/17	2013/14 - 2016/17	Average (%)
Administration	100 071	116 310	150 610	160 852	17.1%	42.3%	180 546	186 942	196 361	6.9%	41.1%
Community development	23 394	29 139	36 933	43 241	22.7%	10.6%	39 647	42 389	49 461	4.6%	9.9%
Economic development and management planning	26 070	33 153	29 225	34 541	9.8%	10.0%	39 252	40 620	44 515	8.8%	9.0%
Governance, IGR and international relations	15 213	18 453	19 970	24 869	17.8%	6.3%	26 168	27 080	29 677	6.1%	6.1%
Municipal institute development	31 132	38 026	41 302	48 948	16.3%	12.8%	56 697	58 673	64 299	9.5%	12.9%
Municipal infrastructure and services	33 091	34 732	38 392	44 887	10.7%	12.3%	52 335	54 159	59 353	9.8%	11.9%
Municipal finance	14 650	15 351	19 361	21 855	14.3%	5.7%	43 613	45 134	49 461	31.3%	8.9%
Total expense	243 621	285 164	335 793	379 193	15.9%	100.0%	438 258	454 997	493 127	9.2%	100.0%

Expenditure estimates

Table 3.31 South African Local Government Association

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2010/11 - 2013/14	Average (%)	2014/15	2015/16	2016/17	2013/14 - 2016/17	Average (%)
R thousand											
Revenue											
Non-tax revenue	165 620	257 457	332 296	366 866	30.4%	84.5%	410 964	432 816	463 397	8.1%	93.5%
Sale of goods and services other than capital assets	151 173	226 438	310 515	356 831	33.1%	78.3%	399 182	420 736	450 910	8.1%	90.9%
of which:											
Sales by market establishment	151 173	226 438	310 515	356 831	33.1%	78.3%	399 182	420 736	450 910	8.1%	90.9%
Other non-tax revenue	14 447	31 019	21 781	10 035	-11.4%	6.2%	11 782	12 080	12 487	7.6%	2.6%
Transfers received	75 006	40 009	35 338	30 777	-25.7%	15.5%	27 294	28 260	29 731	-1.1%	6.5%
Total revenue	240 626	297 466	367 634	397 643	18.2%	100.0%	438 258	461 076	493 128	7.4%	100.0%

Table 3.32 South African Local Government Association

Statement of financial performance				Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)				Average growth rate (%)	Expenditure/ total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Expenses											
Current expenses	243 621	285 164	335 793	379 193	15.9%	100.0%	438 258	457 741	493 127	9.2%	100.0%
Compensation of employees	125 625	138 988	175 312	185 355	13.8%	50.3%	218 672	242 302	274 501	14.0%	51.8%
Goods and services	111 629	142 376	154 677	187 135	18.8%	47.8%	213 490	209 030	211 877	4.2%	46.7%
Depreciation	3 440	3 348	4 643	4 913	12.6%	1.3%	4 218	4 445	4 681	-1.6%	1.0%
Interest, dividends and rent on land	2 927	452	1 161	1 790	-15.1%	0.5%	1 878	1 964	2 068	4.9%	0.4%
Total expenses	243 621	285 164	335 793	379 193	15.9%	100.0%	438 258	457 741	493 127	9.2%	100.0%
Surplus/(Deficit)	(2 995)	12 302	31 841	18 450	-283.3%		–	3 335	–	-100.0%	
Statement of financial position											
Carrying value of assets	23 122	23 408	29 550	15 501	-12.5%	29.7%	13 313	14 200	14 953	-1.2%	14.1%
of which:											
Acquisition of assets	7 068	2 135	5 095	6 800	-1.3%	7.2%	2 680	3 800	3 000	-23.9%	4.1%
Investments	–	536	831	–	–	0.4%	–	–	–	–	–
Receivables and prepayments	25 258	29 749	35 151	21 422	-5.3%	35.9%	15 193	20 725	21 823	0.6%	19.2%
Cash and cash equivalents	4 496	18 922	55 689	46 244	117.5%	34.0%	75 774	79 260	83 460	21.8%	66.8%
Total assets	52 876	72 615	121 221	83 167	16.3%	100.0%	104 280	114 185	120 236	13.1%	100.0%
Accumulated surplus/(deficit)	(4 340)	7 961	43 802	18 450	-262.0%	17.5%	(3 966)	3 335	(8 231)	-176.4%	3.6%
Capital and reserves	2 260	2 260	2 260	2 260	–	3.3%	2 260	2 260	2 260	–	2.2%
Capital reserve fund	–	11 446	6 280	–	–	5.2%	–	–	–	–	–
Finance lease	1 020	6 049	8 464	4 502	64.0%	6.2%	4 489	4 695	7 183	16.9%	5.0%
Deferred income	13 673	7 852	4 818	4 449	-31.2%	12.0%	4 409	4 369	4 601	1.1%	4.3%
Trade and other payables	39 692	36 428	54 934	29 067	-9.9%	54.9%	28 058	20 725	21 823	-9.1%	24.5%
Provisions	573	619	662	291	-20.2%	0.7%	306	320	337	5.0%	0.3%
Total equity and liabilities	52 878	72 615	121 220	59 019	3.7%	100.0%	35 556	35 704	27 973	-22.0%	39.9%

Personnel information

Table 3.33 South African Local Government Association

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
462	510	401	175.3	0.4	429	185.4	0.4	464	218.7	0.5	484	242.3	0.5	520	274.5	0.5	14.0%	100.0%		
1 – 6	31	31	34	4.2	0.1	33	3.1	0.1	33	3.3	0.1	33	3.5	0.1	33	3.7	0.1	6.5%	7.0%	
7 – 10	48	62	52	7.0	0.1	50	8.2	0.2	50	8.7	0.2	50	9.3	0.2	55	11.1	0.2	10.8%	10.8%	
11 – 12	363	397	299	142.7	0.5	330	153.7	0.5	362	181.9	0.5	382	203.1	0.5	413	231.5	0.6	14.6%	78.3%	
13 – 16	20	20	16	21.5	1.3	16	20.4	1.3	19	24.8	1.3	19	26.4	1.4	19	28.2	1.5	11.3%	3.9%	

1. Rand million.

Expenditure trends

The association's main source of revenue is membership fees and donations from foreign donors. The significant increase in revenue between 2010/11 and 2012/13, from R240.6 million to R397.6 million, was due to an increase in membership fees.

The spending focus over the medium term will be on reviewing legislative and policy frameworks that impact on municipalities, and facilitating local government fiscal transformation and municipal capacity development. As an association of municipalities and representative of municipalities, the association intends to develop a position paper on the Labour Relations Act (1995) and lobby for its incorporation into the Labour Relations Amendment Bill. The position paper aims to ensure that there is a comprehensive and coherent dispensation for municipalities. Furthermore, the association will lead the municipalities in the establishment of systems, structures and partnerships to enhance capacity building.

In support of these initiatives, expenditure in the municipal institution development programme will increase from R56.7 million in 2014/15 to R64.3 million in 2016/17, at an average annual rate of 9.5 per cent. This entity

has an establishment of 462 funded posts, of which 33 were vacant at the end of November 2013. Personnel numbers are expected to increase from 520 in 2016/17 due to the need for support personnel in the newly incorporated KwaZulu-Natal Local Government Association.

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 redetermine boundaries of local, district and metropolitan municipalities
- delimit wards for all local and metropolitan municipalities for the 2016 local elections
- assess the overall capacity of metropolitan, district and local municipalities
- ensure good governance and sound financial management
- enhance stakeholder relations.

Selected performance indicators

Table 3.34 The Municipal Demarcation Board

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of provincial outreach, communication and educational activities	Operation and Research	Outcome 9: A responsive, accountable, effective and efficient local government system	– ¹	– ¹	– ¹	– ¹	9	9	9
Number of national stakeholder forums held	Operation and Research		– ¹	– ¹	– ¹	– ¹	4	4	4
Number of municipal reports finalised (biennially)	Operation and Research		– ¹	– ¹	– ¹	– ¹	278	278	278

1. The performance published in the 2013 ENE could not be verified, hence the implementation of new performance indicators in 2014/15.

Programmes/activities/objectives

Table 3.35 The Municipal Demarcation Board

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand	20 893	22 486	19 415	29 558		12.3%	60.0%	31 464	31 962	33 560	4.3%	62.6%
Administration												
Operation and Research	15 099	13 326	14 936	17 577		5.2%	40.0%	18 477	19 328	20 294	4.9%	37.4%
Total expense	35 992	35 812	34 351	47 135		9.4%	100.0%	49 941	51 290	53 854	4.5%	100.0%

Expenditure estimates

Table 3.36 The Municipal Demarcation Board

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Revenue												
Non-tax revenue	708	641	926	4 983		91.6%	4.1%	5 711	5 359	5 631	4.2%	10.7%
Sale of goods and services other than capital assets of which:	41	18	9	27		-13.0%	0.1%	28	34	34	8.0%	0.1%
Sales by market establishment	41	18	9	27		-13.0%	0.1%	28	34	34	8.0%	0.1%
Other non-tax revenue	667	623	917	4 956		95.1%	4.0%	5 683	5 325	5 597	4.1%	10.7%
Transfers received	37 187	38 482	40 397	42 152		4.3%	95.9%	44 230	45 793	48 220	4.6%	89.3%
Total revenue	37 895	39 123	41 323	47 135		7.5%	100.0%	49 941	51 152	53 851	4.5%	100.0%

Table 3.36 The Municipal Demarcation Board

Statement of financial performance												
	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17		
Expenses												
Current expenses	35 992	35 812	34 351	47 135	9.4%	100.0%	49 941	51 152	53 851	4.5%	100.0%	
Compensation of employees	10 234	12 081	12 838	18 671	22.2%	34.8%	23 898	25 186	26 649	12.6%	46.5%	
Goods and services	24 956	22 722	20 358	27 729	3.6%	62.7%	25 613	25 513	26 725	-1.2%	52.4%	
Depreciation	802	1 009	1 155	735	-2.9%	2.5%	430	453	477	-13.4%	1.0%	
Total expenses	35 992	35 812	34 351	47 135	9.4%	100.0%	49 941	51 152	53 851	4.5%	100.0%	
Surplus/(Deficit)	1 903	3 311	6 972	-	-100.0%		-	-	-	-		
Statement of financial position												
Carrying value of assets	2 802	3 705	3 902	6 064	29.3%	17.0%	7 833	9 707	9 060	14.3%	33.2%	
of which:												
Acquisition of assets	1 076	1 917	1 584	1 268	5.6%	6.0%	1 239	875	-	-100.0%	3.3%	
Inventory	283	287	213	334	5.7%	1.2%	350	366	350	1.6%	1.4%	
Receivables and prepayments	449	418	431	569	8.2%	2.0%	597	624	630	3.5%	2.5%	
Cash and cash equivalents	16 388	19 259	25 172	16 981	1.2%	79.8%	17 813	15 500	12 000	-10.9%	62.9%	
Total assets	19 922	23 669	29 718	23 948	6.3%	100.0%	26 593	26 197	22 040	-2.7%	100.0%	
Accumulated surplus/(deficit)	16 941	20 245	27 225	19 694	5.1%	86.4%	17 500	14 600	12 000	-15.2%	64.6%	
Finance lease	628	628	-	-	-100.0%	1.5%	-	-	-	-	-	
Trade and other payables	2 353	1 962	1 369	3 188	10.7%	9.5%	3 651	3 818	3 900	7.0%	14.8%	
Provisions	-	834	1 124	773	-	2.6%	812	849	730	-1.9%	3.2%	
Total equity and liabilities	19 922	23 669	29 718	23 655	5.9%	100.0%	21 963	19 267	16 630	-11.1%	82.6%	

Personnel information

Table 3.37 The Municipal Demarcation Board

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment														Number			
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/ total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
49		53	41	12.8	0.3	45	18.7	0.4	52	23.9	0.5	52	25.2	0.5	50	26.6	0.5	12.6%	100.0%	
1 – 6	15	15	11	0.7	0.1	15	1.3	0.1	15	2.3	0.2	15	2.4	0.2	13	2.1	0.2	16.8%	29.3%	
7 – 10	12	15	13	2.8	0.2	10	2.5	0.3	14	3.9	0.3	14	4.2	0.3	14	4.8	0.3	24.0%	26.0%	
11 12	12	12	9	3.9	0.4	11	5.2	0.5	12	5.8	0.5	12	6.1	0.5	12	6.4	0.5	7.3%	23.6%	
13 16	10	11	8	5.4	0.7	9	9.6	1.1	11	11.9	1.1	11	12.5	1.1	11	13.3	1.2	11.4%	21.1%	

1 Rand million

Expenditure trends

The spending focus over the medium term will be on the delimitation of municipal wards in preparation for the 2016 local elections. The largest expenditure item is agency and support services, which grows to R5.7 million in 2015/16. Spending on compensation of employees increased from R10.3 million in 2010/11 to R18.7 million in 2013/14, mainly due to the appointment of 4 additional employees. Over the medium term, spending on compensation of employees is expected to increase from R18.7 million in 2013/14 to R26.5 million, due to the expected increase in the number of personnel from 41 in 2012/13 to 50 by 2016/17. Personnel numbers are set to increase as critical vacant posts are filled, and to provide for staff requirements in the internship programme. There were 12 critical vacant posts at the end of November 2013, and these include positions for stakeholder management and communication, research and operations. Spending on consultants is expected to remain stable as internal capacity is strengthened. Consultants in this entity are used mainly for municipal capacity assessments.

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	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	201 402	197 505	183 625	248 766	3 096	251 862	251 862
Policy, Research and Knowledge Management	46 071	49 293	49 911	19 701	800	20 501	20 501
Governance and Intergovernmental Relations	37 981 926	38 111 889	37 364 161	40 706 726	16 223	40 722 949	39 916 949
National Disaster Management Centre	555 225	555 392	114 113	585 056	120 340	705 396	455 396
Provincial and Municipal Government Systems	284 726	285 178	274 298	272 067	9 560	281 627	281 627
Infrastructure and Economic Development	15 544 190	15 553 429	15 341 309	16 315 219	56 197	16 371 416	16 371 416
Traditional Affairs	102 050	102 492	106 948	105 156	–	105 156	105 156
Total	54 715 590	54 855 178	53 434 365	58 252 691	206 216	58 458 907	57 402 907

Economic classification							
Current payments	2 088 855	2 104 432	1 635 441	2 085 528	57 982	2 143 510	2 143 510
Compensation of employees	255 392	290 396	216 607	211 598	33 464	245 062	245 062
Goods and services	1 833 463	1 814 036	1 418 834	1 873 930	24 518	1 898 448	1 898 448
Transfers and subsidies	52 607 185	52 737 347	51 782 325	56 155 318	149 034	56 304 352	55 248 352
Provinces and municipalities	52 495 225	52 495 225	51 322 785	55 708 854	134 034	55 842 888	54 786 888
Departmental agencies and accounts	101 315	101 315	323 750	435 347	–	435 347	435 347
Foreign governments and international organisations	–	–	279	–	–	–	–
Non-profit institutions	10 645	8 025	3 693	11 117	–	11 117	11 117
Households	–	132 782	131 818	–	15 000	15 000	15 000
Payments for capital assets	19 550	13 311	15 685	11 845	(1 600)	10 245	10 245
Machinery and equipment	18 550	13 311	15 685	11 095	(1 600)	9 495	9 495
Software and other intangible assets	1 000	–	–	750	–	750	750
Payments for financial assets	–	88	914	–	800	800	800
Total	54 715 590	54 855 178	53 434 365	58 252 691	206 216	58 458 907	57 402 907

Table 3.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Compensation of employees (R thousand)	157 035	196 200	216 607	245 062	256 568	271 777	288 547
Training expenditure (R thousand)	1 370	1 389	1 694	3 112	2 565	2 718	2 885
Training spend as percentage of compensation	0.9%	0.7%	0.8%	1.3%	1.0%	1.0%	1.0%
Total number trained (headcount)	506	511	511	632			
of which:							
Internships (headcount)	26	–	–	–			

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

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand							
Conditional grants to provinces							
National Disaster Management Centre							
Provincial disaster grant	214 398	15 136	850	188 100	197 372	204 344	215 174
Total	214 398	15 136	850	188 100	197 372	204 344	215 174
Conditional grants to municipalities							
National Disaster Management centre							
Municipal disaster grant	–	32 147	73 180	346 500	363 580	376 424	396 374
Municipal disaster recovery grant	–	–	–	118 340	37 302	21 805	–
Provincial and Municipal Government Systems							
Municipal systems improvement grant	212 000	220 210	230 096	240 307	252 152	261 060	274 896
Infrastructure and Economic Development							
Municipal infrastructure grant	9 704 312	11 443 490	13 879 162	14 354 531	14 683 835	15 098 070	15 766 819
Total	9 916 312	11 695 847	14 182 438	15 059 678	15 336 869	15 757 359	16 438 089

1. Detail provided in the Division of Revenue Act (2014).

36 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		
							2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand													
Foreign In cash													
Danish International Development Agency	Anti-corruption training	Infrastructure and Economic Development	April 2008 to March 2012	71 840	Goods and services	Train senior officials and political office bearers in ethics	2 729	–	–	–	–	–	–
European Union	Masibambane	Infrastructure and Economic Development	April 2009 to March 2010	31 778	Goods and services	Support municipal urban renewal programme	1 446	4 668	1 628	–	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	–	2 866	101	–	–	–	–
United Kingdom Department for International Development	Community work programme	Infrastructure and Economic Development	June 2010 to March 2016	15 000	Goods and services	Implement the community work programme	–	7 981	1 222	3 507	2 290	–	–
European Union	Pilot Sebenza Nathi initiative	Infrastructure and Economic Development	June 2010 to March 2016	11 348	Goods and services	Support to South Africa's growth strategy programme	5 863	–	–	(1 392)	–	–	–
European Union	Strengthen communities by promoting diversity and peace	Infrastructure and Economic Development	February 2010 to February 2011	4 252	Goods and services	Improve municipal service delivery, resilience and vibrancy of local economies, and strengthen local democracy	190	–	–	–	–	–	–
In kind													
Deutsche Gesellschaft für International Zusammenarbeit	Local government support programme	Infrastructure and Economic Development	January 2009 to March 2012	104 563	Goods and services	Support the process of administrative decentralisation in South Africa, consolidating the role of local institutions in democratisation and peace	19 718	24 654	37 657	–	–	–	–
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	4 534	–	–	–	–	–	–
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 in South Africa, consolidating the role of local institutions in democratisation and peace	–	13 033	10 944	–	–	–	–
Local In cash													
African Renaissance Fund	Local government support programme	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	–	–	–	–	–	–	–
Total				381 944			34 480	53 202	51 552	2 115	7 290	–	–

Table 3.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
Municipal infrastructure grant transfer	Eradicate the backlog in municipal infrastructure by providing basic services to poor households	Various	83 958 256	9 704 300	11 443 490	13 879 162	14 354 400	14 683 835	15 098 070	15 766 819
Total			83 958 256	9 704 300	11 443 490	13 879 162	14 354 400	14 683 835	15 098 070	15 766 819



BUDGET 2014

ESTIMATES OF NATIONAL EXPENDITURE

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