



VOTE 4

COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS



BUDGET 2017

ESTIMATES
OF NATIONAL
EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2017

National Treasury

Republic of South Africa

22 February 2017



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The Estimates of National Expenditure 2017 is 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 Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret 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 4

Cooperative Governance and Traditional Affairs

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	247.3	242.1	0.1	5.1	259.6	276.7
Regional and Urban Development and Legislative Support	210.3	40.8	169.4	–	103.9	110.2
Institutional Development	57 372.8	177.9	57 194.9	–	63 114.4	67 879.5
National Disaster Management Centre	521.9	95.8	423.7	2.4	600.2	578.4
Local Government Support and Intervention Management	16 366.4	93.7	16 272.7	–	17 225.7	18 197.0
Community Work Programme	3 695.9	3 695.9	–	–	3 809.9	4 018.6
Total expenditure estimates	78 414.5	4 346.2	74 060.8	7.5	85 113.8	91 060.4

Executive authority: Minister of Cooperative Governance and Traditional Affairs
 Accounting officers: Director General of Cooperative Governance and Director General of Traditional Affairs
 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, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate.

Vote purpose

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

Mandate

The Department of Cooperative Governance is mandated to: develop and monitor the implementation of national policy and legislation aimed at transforming and strengthening key institutions and mechanisms of governance in national, provincial and local government to fulfil their developmental 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 of 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).

Selected performance indicators

Table 4.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of secondary cities supported per year to improve spatial and economic planning by implementing the Integrated Urban Development Framework	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient local government	–1	–1	–1	–1	10	15	25
Number of municipalities assessed and guided to comply with the rating criteria of the Municipal Property Rates Act (2004) per year	Institutional Development		30	40	152	193	110	110	110

Table 4.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of spending by municipalities on the municipal infrastructure grant per year	Institutional Development		91% (R13.1bn/ R14.4bn)	89% (R13.1bn/ R14.7bn)	92% (R13.8bn/ R14.9bn)	100%	100%	100%	100%
Number of municipalities where Back to Basics interventions are being implemented per year	Local Government Support and Intervention Management	Outcome 9: Responsive, accountable, effective and efficient local government	-1	-1	-1	36	47	83	83
Total number of work opportunities provided through the community work programme	Community Work Programme		172 000	187 021	197 000	268 000	258 400	259 157	226 812

1. No historical data available.

Expenditure analysis

Implementing the Back to Basics strategy remains the primary focus of the department over the medium term. The strategy was launched in 2014 to improve the quality of basic services, foster good governance and build institutional capacity in local government, encourage public participation, and create work opportunities. The department's budget in the period ahead is R254.6 billion, of which 93.8 per cent is transferred to municipalities through the local government equitable share and *municipal infrastructure grant* to provide basic services and municipal infrastructure. The department also transfers 0.7 per cent of its allocation to the Department of Traditional Affairs and to entities reporting to the same executive authority.

Personnel numbers are expected to decrease from 539 posts in 2017/18 to 488 posts in 2019/20 to align the headcount with the expenditure ceiling, which Cabinet has reduced by R9.2 million over the medium term. As most of the posts being lost are in administrative functions, this is not expected to have a negative impact on service delivery.

Providing quality basic services to all

The local government equitable share in the *Institutional Development* programme provides funding for operations and the maintenance of infrastructure for basic services such as water, sanitation, electricity and refuse collection. As the allocation to the grant takes into consideration changes in the size of the low-income population in respective municipalities, the increased cost of basic services as a result of yearly tariff increases, and municipalities' capacity to raise their own revenue, the allocation to the grant is set to increase from R57 billion in 2017/18 to R67.5 billion in 2019/20.

Delivering municipal infrastructure

The department administers and disburses the *municipal infrastructure grant*, an important enabler of the Back to Basics strategy. The grant is for municipalities that deliver municipal infrastructure such as water, energy, and sports and recreation facilities to poorer communities. The grant's allocation of R50.4 billion over the medium term constitutes 96.8 per cent of the *Local Government Support and Intervention Management* programme's expected expenditure over the period ahead. The department plans to strengthen its monitoring and evaluation of the performance of projects funded through the grant to ensure that funds are used optimally, and provide value for money for government while alleviating backlogs in social infrastructure. The Municipal Infrastructure Support Agency will assist the department in this regard by providing technical support to improve the delivery of municipal infrastructure. As a result the transfer to the Municipal Infrastructure Support Agency is expected to increase to R371 million by 2019/20.

Providing work opportunities for the poor

A central focus of the department is to work towards providing and maintaining 1 million work opportunities by March 2019. In pursuit of this target, the *Community Work Programme* will provide an income safety net for poor people by providing an estimated 744 369 work opportunities over the medium term through community-approved sustainability projects such as food gardens, the supervision of school homework, and home-based care and auxiliary care services for vulnerable households. To create these opportunities, the programme has a budget of R11.5 billion over the medium term, increasing at an average annual rate of 8 per cent.

Expenditure trends

Table 4.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Regional and Urban Development and Legislative Support														
3. Institutional Development														
4. National Disaster Management Centre														
5. Local Government Support and Intervention Management														
6. Community Work Programme														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	248.8	247.9	237.7	252.1	238.5	236.4	236.5	228.6	236.5	266.5	263.7	263.7	97.1%	99.6%
Programme 2	30.3	31.1	84.0	33.1	30.0	80.3	76.2	76.2	93.0	397.0	423.6	423.6	126.9%	121.4%
Programme 3	55 441.5	55 609.7	39 384.8	59 729.4	59 966.4	42 040.2	65 898.4	67 407.6	49 818.6	52 887.7	52 888.0	51 448.0	78.1%	77.5%
Programme 4	585.1	694.4	423.9	650.8	831.4	385.9	606.8	606.8	258.2	598.9	588.9	207.4	52.2%	46.9%
Programme 5	272.1	145.3	14 549.5	289.5	129.7	15 085.0	120.4	120.4	15 317.1	15 652.8	15 666.5	15 666.5	371.1%	377.4%
Programme 6	1 675.0	1 730.6	1 721.7	2 257.8	2 257.8	1 558.7	2 375.9	2 375.9	2 374.2	3 191.2	3 191.2	3 191.2	93.1%	92.6%
Total	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	59 386.5	69 314.2	70 815.5	68 097.5	72 994.0	73 021.9	71 200.4	96.7%	96.0%
Change to 2016 Budget estimate	27.9													
Economic classification														
Current payments	2 419.9	2 477.9	2 113.9	2 690.7	2 689.8	1 975.3	2 808.6	2 811.5	2 759.6	3 801.7	3 826.5	3 786.5	90.7%	90.1%
Compensation of employees	277.7	311.2	226.8	256.6	246.6	234.4	271.8	271.8	258.3	320.5	320.5	320.5	92.3%	90.4%
Goods and services	2 142.2	2 166.7	1 887.1	2 434.1	2 443.2	1 740.9	2 536.8	2 539.7	2 501.3	3 481.2	3 505.9	3 465.9	90.6%	90.0%
Transfers and subsidies	55 820.6	55 969.7	54 272.5	60 513.3	60 755.4	57 393.0	66 497.8	67 997.4	65 290.9	69 185.0	69 188.0	67 406.6	97.0%	96.2%
Provinces and municipalities	55 708.9	55 842.9	53 811.7	60 024.5	60 261.7	56 901.3	66 007.2	67 506.1	64 799.2	68 301.7	68 301.7	66 520.3	96.8%	96.1%
Departmental agencies and accounts	100.7	100.7	441.6	477.2	481.8	481.9	478.5	484.9	484.9	567.4	570.4	570.4	-	-
Foreign governments and international organisations	-	-	0.8	-	0.3	0.9	-	-	-	-	-	-	-	655.8%
Non-profit institutions	11.1	11.1	13.5	11.7	11.7	8.6	12.1	6.3	6.3	6.6	6.6	6.6	84.4%	98.1%
Households	-	15.0	4.8	-	-	0.4	-	0.1	0.5	309.3	309.3	309.3	101.8%	97.1%
Payments for capital assets	12.2	10.6	14.8	8.7	8.7	17.9	7.8	6.5	46.1	7.3	7.3	7.3	238.9%	259.6%
Machinery and equipment	11.4	9.8	14.8	7.7	7.7	17.8	7.8	6.5	46.1	7.3	7.3	7.3	250.7%	273.7%
Heritage assets	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Software and other intangible assets	0.8	0.8	-	1.0	1.0	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	0.8	0.4	-	-	0.3	-	0.1	0.9	-	0.1	0.1	-	170.9%
Total	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	59 386.5	69 314.2	70 815.5	68 097.5	72 994.0	73 021.9	71 200.4	96.7%	96.0%

Expenditure estimates

Table 4.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Regional and Urban Development and Legislative Support									
3. Institutional Development									
4. National Disaster Management Centre									
5. Local Government Support and Intervention Management									
6. Community Work Programme									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	263.7	2.1%	0.4%	247.3	259.6	276.7	1.6%	0.3%	
Programme 2	423.6	138.9%	0.3%	210.3	103.9	110.2	-36.2%	0.3%	
Programme 3	51 448.0	-2.6%	71.6%	57 372.8	63 114.4	67 879.5	9.7%	73.6%	
Programme 4	207.4	-33.2%	0.5%	521.9	600.2	578.4	40.8%	0.6%	
Programme 5	15 666.5	376.0%	23.8%	16 366.4	17 225.7	18 197.0	5.1%	20.7%	
Programme 6	3 191.2	22.6%	3.5%	3 695.9	3 809.9	4 018.6	8.0%	4.5%	
Total	71 200.4	6.8%	100.0%	78 414.5	85 113.8	91 060.4	8.5%	100.0%	
Change to 2016 Budget estimate				(142.7)	855.3	952.2			
Economic classification									
Current payments	3 786.5	15.2%	4.2%	4 346.2	4 478.9	4 730.0	7.7%	5.3%	
Compensation of employees	320.5	1.0%	0.4%	338.9	339.5	365.4	4.5%	0.4%	
Goods and services	3 465.9	17.0%	3.8%	4 007.2	4 139.5	4 364.7	8.0%	4.9%	

Table 4.3 Vote expenditure estimates by programme and economic classification

R million	Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Average Expenditure/ Total (%)	
		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20		
Transfers and subsidies	67 406.6	6.4%	95.8%	74 060.8	80 627.1	86 322.2	8.6%	94.7%		
Provinces and municipalities	66 520.3	6.0%	94.9%	73 439.1	80 020.8	85 680.7	8.8%	93.8%		
Departmental agencies and accounts	570.4	78.3%	0.8%	608.4	592.1	626.5	3.2%	0.7%		
Foreign governments and international organisations	–	–	0.0%	1.3	1.4	1.4	–	0.0%		
Non-profit institutions	6.6	-15.9%	0.0%	12.1	12.8	13.5	26.8%	0.0%		
Households	309.3	174.2%	0.1%	–	–	–	-100.0%	0.1%		
Payments for capital assets	7.3	-11.5%	0.0%	7.5	7.8	8.2	3.6%	0.0%		
Machinery and equipment	7.3	-9.3%	0.0%	7.5	7.8	8.2	3.6%	0.0%		
Payments for financial assets	0.1	-53.6%	0.0%	–	–	–	-100.0%	0.0%		
Total	71 200.4	6.8%	100.0%	78 414.5	85 113.8	91 060.4	8.5%	100.0%		

Goods and Services expenditure trends and estimates

Table 4.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Average Expenditure/ Total (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20		
Administrative fees	163	6 019	11 949	82	-20.5%	0.2%	7 386	8 391	9 396	385.7%	0.2%		
Advertising	3 754	2 340	2 438	8 021	28.8%	0.2%	6 657	6 622	6 658	-6.0%	0.2%		
Minor assets	1 087	2 881	8 804	1 995	22.4%	0.2%	1 897	2 013	2 139	2.4%	0.1%		
Audit costs: External	7 571	6 872	6 678	10 082	10.0%	0.3%	12 670	14 199	15 429	15.2%	0.3%		
Bursaries: Employees	1 696	937	1 086	3 801	30.9%	0.1%	3 703	2 013	2 126	-17.6%	0.1%		
Catering: Departmental activities	5 744	3 119	5 198	12 095	28.2%	0.3%	12 135	13 385	14 142	5.4%	0.3%		
Communication	9 639	6 632	11 671	16 501	19.6%	0.5%	11 454	15 232	14 009	-5.3%	0.4%		
Computer services	21 508	18 000	16 754	82 712	56.7%	1.4%	61 334	60 247	63 214	-8.6%	1.7%		
Consultants: Business and advisory services	362 940	239 805	232 359	209 131	-16.8%	10.8%	211 767	231 111	245 922	5.6%	5.6%		
Infrastructure and planning services	569	501	519	–	-100.0%	–	–	–	–	–	–	–	–
Legal services	3 381	6 156	3 850	4 476	9.8%	0.2%	3 918	3 144	4 377	-0.7%	0.1%		
Contractors	1 359 447	1 274 367	1 817 448	2 454 718	21.8%	71.7%	2 818 461	2 869 230	3 029 658	7.3%	69.8%		
Agency and support/outourced services	1 610	871	5 784	1 358	-5.5%	0.1%	1 439	1 577	1 665	7.0%	–		
Entertainment	–	–	60	47	–	–	43	49	51	2.8%	–		
Fleet services (including government motor transport)	1 556	1 952	225	1 401	-3.4%	0.1%	1 572	1 919	2 025	13.1%	–		
Inventory: Clothing material and accessories	–	22 154	–	–	–	0.2%	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	10	10	–	–	11	12	13	9.1%	–		
Inventory: Fuel, oil and gas	17	127	83	86	71.7%	–	90	95	100	5.2%	–		
Inventory: Learner and teacher support material	342	–	2	515	14.6%	–	544	576	608	5.7%	–		
Inventory: Materials and supplies	117	27 336	87 778	570 576	1595.8%	7.1%	719 421	772 013	809 391	12.4%	17.9%		
Inventory: Medical supplies	–	–	8	–	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	11	–	360	713	301.7%	–	778	820	867	6.7%	–		
Consumable supplies	338	4 552	121 851	3 563	119.3%	1.4%	3 885	4 432	4 679	9.5%	0.1%		
Consumables: Stationery, printing and office supplies	6 082	6 014	8 769	21 162	51.5%	0.4%	25 007	19 734	20 839	-0.5%	0.5%		
Operating leases	1 008	4 711	6 670	2 704	38.9%	0.2%	3 023	3 105	3 278	6.6%	0.1%		
Rental and hiring	17	–	–	26	15.2%	–	57	61	65	35.7%	–		
Property payments	46 621	45 597	40 035	40 681	-4.4%	1.8%	44 958	46 595	49 204	6.5%	1.1%		
Transport provided: Departmental activity	–	–	295	100	–	–	308	326	344	51.0%	–		
Travel and subsistence	38 450	29 448	29 745	49 193	8.6%	1.5%	45 780	51 895	54 392	3.4%	1.3%		
Training and development	3 561	26 471	74 015	2 536	-10.7%	1.1%	3 840	3 812	4 022	16.6%	0.1%		
Operating payments	2 031	1 461	1 737	1 611	-7.4%	0.1%	1 772	1 834	1 935	6.3%	–		
Venues and facilities	7 841	2 562	5 106	6 037	-8.3%	0.2%	3 324	5 016	4 121	-12.0%	0.1%		
Total	1 887 101	1 740 885	2 501 287	3 505 933	22.9%	100.0%	4 007 234	4 139 458	4 364 669	7.6%	100.0%		

Transfers and subsidies expenditure trends and estimates

Table 4.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
Provinces and municipalities											
Provincial revenue funds											
Current	93 647	85 951	35 593	111 545	6.0%	0.1%	123 432	130 591	137 904	7.3%	0.2%
Vehicle licences	17	-	5	-	-100.0%	-	-	-	-	-	-
Provincial disaster grant	93 630	85 951	35 588	111 545	6.0%	0.1%	123 432	130 591	137 904	7.3%	0.2%
Provinces and municipalities											
Municipal bank accounts											
Current	39 375 275	41 879 778	49 621 685	53 136 150	10.5%	74.8%	57 424 381	63 102 548	67 809 065	8.5%	77.8%
Vehicle licences	2	24	22	100	268.4%	-	103	106	112	3.8%	-
Municipal demarcation transition grant	-	-	3 714	297 422	-	0.1%	111 856	-	-	-100.0%	0.1%
Municipal systems improvement grant	240 307	252 152	251 442	-	-100.0%	0.3%	-	-	-	-	-
Local government equitable share	38 964 252	41 592 070	49 366 507	52 568 706	10.5%	74.1%	57 012 141	62 731 845	67 473 465	8.7%	77.3%
Municipal disaster grant	170 714	35 532	-	269 922	16.5%	0.2%	300 281	370 597	335 488	7.5%	0.4%
Capital	14 342 787	14 935 547	15 141 883	15 054 028	1.6%	24.2%	15 891 252	16 787 685	17 733 731	5.6%	21.1%
Municipal disaster recovery grant	118 340	190 102	186 121	140 000	5.8%	0.3%	-	-	-	-100.0%	-
Municipal infrastructure grant	14 224 447	14 745 445	14 955 762	14 914 028	1.6%	23.9%	15 891 252	16 787 685	17 733 731	5.9%	21.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	441 648	481 895	484 949	570 407	8.9%	0.8%	608 420	592 121	626 542	3.2%	0.8%
Public Service Sector Education and Training Authority	-	735	-	-	-	-	-	-	-	-	-
Municipal Demarcation Board	42 152	44 230	45 793	59 220	12.0%	0.1%	50 631	53 568	56 568	-1.5%	0.1%
Department of Traditional Affairs	111 702	115 864	125 928	129 798	5.1%	0.2%	145 006	154 216	164 313	8.2%	0.2%
South African Local Government Association	25 999	26 904	9 215	31 500	6.6%	-	31 300	33 100	34 954	3.5%	-
Municipal Infrastructure Support Agency	261 795	294 162	304 013	349 889	10.2%	0.5%	381 483	351 237	370 707	1.9%	0.5%
Foreign governments and international organisations											
Current	825	880	-	-	-100.0%	-	1 281	1 356	1 432	-	-
Common Wealth to Local Government Forum	400	238	-	-	-100.0%	-	-	-	-	-	-
United Cities and Local Governments of Africa - Morocco	425	642	-	-	-100.0%	-	1 281	1 356	1 432	-	-
Non-profit institutions											
Current	13 463	8 638	6 286	6 619	-21.1%	-	12 073	12 779	13 495	26.8%	-
South African Cities Network	11 765	6 071	6 286	6 619	-17.4%	-	6 950	7 353	7 765	5.5%	-
United Cities and Local Governments of Africa - South African Regional Office	1 698	2 567	-	-	-100.0%	-	5 123	5 426	5 730	-	-
Households											
Social benefits											
Current	4 833	357	395	309 276	300.0%	0.1%	-	-	-	-100.0%	0.1%
Employee social benefits	974	357	395	276	-100.0%	-	-	-	-	-	-
Non-returning local government councillors	3 859	-	-	309 276	331.1%	0.1%	-	-	-	-100.0%	0.1%
Households											
Other transfers to households											
Current	-	-	132	-	-	-	-	-	-	-	-
Employee social benefits	-	-	132	-	-	-	-	-	-	-	-
Total	54 272 478	57 393 046	65 290 923	69 188 025	8.4%	100.0%	74 060 839	80 627 080	86 322 169	7.7%	100.0%

Personnel information

Table 4.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		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 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
								2017/18		2018/19		2019/20								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2016/17 - 2019/20				
Cooperative Governance and Traditional Affairs		469	2	442	258.3	0.6	546	320.5	0.6	539	338.9	0.6	482	339.5	0.7	488	365.4	0.7	-3.7%	100.0%
1 – 6	129	–	116	29.8	0.3	154	37.6	0.2	149	41.3	0.3	134	42.9	0.3	134	50.8	0.4	-4.5%	27.8%	
7 – 10	128	–	125	54.3	0.4	143	67.4	0.5	125	63.1	0.5	123	65.3	0.5	132	75.9	0.6	-2.6%	25.5%	
11 – 12	94	–	86	60.0	0.7	120	83.7	0.7	145	107.7	0.7	104	85.5	0.8	102	87.4	0.9	-5.3%	22.9%	
13 – 16	118	2	115	114.2	1.0	129	131.9	1.0	120	126.9	1.1	121	145.8	1.2	120	151.3	1.3	-2.4%	23.8%	
Programme	469	2	442	258.3	0.6	546	320.5	0.6	539	338.9	0.6	482	339.5	0.7	488	365.4	0.7	-3.7%	100.0%	
Programme 1	222	2	205	109.1	0.5	211	125.8	0.6	220	133.7	0.6	205	141.5	0.7	208	152.2	0.7	-0.5%	41.1%	
Programme 2	35	–	40	23.0	0.6	37	18.7	0.5	40	25.9	0.6	40	27.6	0.7	40	29.7	0.7	2.6%	7.6%	
Programme 3	47	–	48	39.6	0.8	53	32.7	0.6	59	38.1	0.6	53	38.1	0.7	53	41.0	0.8	–	10.6%	
Programme 4	30	–	30	20.8	0.7	32	17.3	0.5	44	29.6	0.7	34	25.0	0.7	34	26.9	0.8	2.0%	7.0%	
Programme 5	81	–	62	36.1	0.6	87	62.4	0.7	87	68.4	0.8	73	62.9	0.9	73	67.7	0.9	-5.7%	15.6%	
Programme 6	54	–	57	29.8	0.5	126	63.5	0.5	89	43.3	0.5	77	44.4	0.6	80	47.9	0.6	-14.1%	18.1%	

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

2. Rand million.

Departmental receipts

Table 4.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2016/17	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20		
Departmental receipts	1 220	1 916	1 116	1 165	1 410	4.9%	100.0%	1 261	1 332	1 445	0.8%	100.0%
Sales of goods and services produced by department	174	173	157	305	130	-9.3%	11.2%	355	375	395	44.8%	23.0%
Sales by market establishments	94	173	157	305	68	-10.2%	8.7%	350	370	390	79.0%	21.6%
of which:												
Rental parking: Covered and open	94	173	157	305	68	-10.2%	8.7%	350	370	390	79.0%	21.6%
Other sales	80	–	–	–	62	-8.1%	2.5%	5	5	5	-56.8%	1.4%
of which:												
Capital equipment	80	–	–	–	–	-100.0%	1.4%	–	–	–	–	–
Services rendered:	–	–	–	–	61	–	1.1%	–	–	–	-100.0%	1.1%
Commission on insurance and garnishees	–	–	–	–	–	–	–	–	–	–	–	–
Replacement of security cards	–	–	–	–	1	–	–	5	5	5	71.0%	0.3%
Sales of scrap, waste, arms and other used current goods	1	1	1	5	–	-100.0%	0.1%	6	7	10	–	0.4%
of which:												
Sales of paper	1	1	1	5	–	-100.0%	0.1%	6	7	10	–	0.4%
Interest, dividends and rent on land	–	1	291	15	945	–	21.8%	10	10	–	-100.0%	17.7%
Interest	–	1	–	–	3	–	0.1%	10	10	–	-100.0%	0.4%
Dividends	–	–	291	15	942	–	21.8%	–	–	–	-100.0%	17.3%
of which:												
Interest bank accounts	–	–	291	15	942	–	21.8%	–	–	–	-100.0%	17.3%
Sales of capital assets	16	53	–	40	40	35.7%	1.9%	40	40	40	–	2.9%
Transactions in financial assets and liabilities	1 029	1 688	667	800	295	-34.1%	65.0%	850	900	1 000	50.2%	55.9%
Total	1 220	1 916	1 116	1 165	1 410	4.9%	100.0%	1 261	1 332	1 445	0.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 4.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
R thousand											
Ministry	36 756	32 913	27 752	37 939	1.1%	13.9%	28 010	29 440	31 505	-6.0%	12.1%
Management	15 741	16 532	20 062	13 609	-4.7%	6.8%	17 470	18 447	19 775	13.3%	6.6%
Corporate Services	104 979	109 801	111 242	127 454	6.7%	46.5%	108 884	114 456	122 095	-1.4%	45.2%
Financial Services	27 030	25 276	29 983	30 729	4.4%	11.6%	38 374	40 569	43 347	12.2%	14.6%
Internal Audit and Risk Management	8 743	8 600	11 857	16 475	23.5%	4.7%	12 977	13 622	14 555	-4.0%	5.5%
Office Accommodation	44 499	43 307	35 598	37 485	-5.6%	16.5%	41 581	43 022	45 431	6.6%	16.0%
Total	237 748	236 429	236 494	263 691	3.5%	100.0%	247 296	259 556	276 708	1.6%	100.0%
Change to 2016				(2 773)			(10 999)	(10 717)	(8 700)		
Budget estimate											
Economic classification											
Current payments	226 888	224 235	225 637	258 511	4.4%	96.0%	242 119	254 192	271 058	1.6%	98.0%
Compensation of employees	107 432	110 287	109 113	125 806	5.4%	46.5%	133 663	141 475	152 200	6.6%	52.8%
Goods and services ¹	119 456	113 948	116 524	132 705	3.6%	49.5%	108 456	112 717	118 858	-3.6%	45.1%
of which:											
Audit costs: External	7 571	6 872	6 612	7 082	-2.2%	2.9%	8 170	9 199	9 730	11.2%	3.3%
Communication	7 632	4 117	9 079	10 906	12.6%	3.3%	5 111	7 808	6 282	-16.8%	2.9%
Computer services	14 300	14 292	12 232	12 793	-3.6%	5.5%	7 468	4 799	5 432	-24.8%	2.9%
Consultants: Business and advisory services	7 082	5 407	10 147	22 297	46.6%	4.6%	6 766	7 138	9 555	-24.6%	4.4%
Property payments	46 621	45 597	40 035	40 681	-4.4%	17.7%	44 958	46 595	49 204	6.5%	17.3%
Travel and subsistence	14 619	12 329	9 645	11 147	-8.6%	4.9%	10 959	10 211	10 623	-1.6%	4.1%
Transfers and subsidies¹	993	999	448	100	-53.5%	0.3%	103	106	112	3.8%	-
Provinces and municipalities	19	24	22	100	73.9%	-	103	106	112	3.8%	-
Departmental agencies and accounts	-	735	-	-	-	0.1%	-	-	-	-	-
Households	974	240	426	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	9 449	10 932	9 495	5 000	-19.1%	3.6%	5 074	5 258	5 538	3.5%	2.0%
Machinery and equipment	9 449	10 932	9 495	5 000	-19.1%	3.6%	5 074	5 258	5 538	3.5%	2.0%
Payments for financial assets	418	263	914	80	-42.4%	0.2%	-	-	-	-100.0%	-
Total	237 748	236 429	236 494	263 691	3.5%	100.0%	247 296	259 556	276 708	1.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.3%	0.4%	-	-	0.3%	0.3%	0.3%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	735	-	-	-	0.1%	-	-	-	-	-
Public Service Sector Education and Training Authority	-	735	-	-	-	0.1%	-	-	-	-	-
Households											
Social benefits											
Current	974	240	349	-	-100.0%	0.2%	-	-	-	-	-
Employee social benefits	974	240	349	-	-100.0%	0.2%	-	-	-	-	-
Households											
Other transfers to households											
Current	-	-	77	-	-	-	-	-	-	-	-
Employee social benefits	-	-	77	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	24	22	100	268.4%	-	103	106	112	3.8%	-
Vehicle licences	2	24	22	100	268.4%	-	103	106	112	3.8%	-
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	17	-	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	17	-	-	-	-100.0%	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.9 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)	
		2015/16			2016/17			2017/18			2018/19			2019/20					2016/17 - 2019/20
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Administration	222	2	205	109.1	0.5	211	125.8	0.6	220	133.7	0.6	205	141.5	0.7	208	152.2	0.7	-0.5%	100.0%
Salary level																			
1 – 6	80	–	70	16.5	0.2	76	19.7	0.3	81	22.3	0.3	79	24.1	0.3	76	29.6	0.4	–	37.0%
7 – 10	61	–	52	24.3	0.5	52	27.3	0.5	52	27.1	0.5	44	24.3	0.6	53	31.4	0.6	0.6%	23.8%
11 – 12	39	–	36	24.0	0.7	36	28.3	0.8	38	31.4	0.8	33	29.9	0.9	31	28.2	0.9	-4.9%	16.4%
13 – 16	42	2	47	44.3	0.9	47	50.5	1.1	49	53.0	1.1	49	63.2	1.3	48	63.0	1.3	0.7%	22.9%

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

2. Rand million.

Programme 2: Regional and Urban Development and Legislative Support

Programme purpose

Provide policy analysis and development in order to transform local government and improve cooperative governance.

Objectives

- Facilitate the restructuring of the municipal spatial economy through monitoring the implementation of the integrated urban development framework on a continual basis.
- Develop and institutionalise an effective intergovernmental relations system across the three spheres of government by introducing institutional and governance reforms by March 2019.

Subprogrammes

- *Management: Regional and Urban Development and Legislative Support* provides strategic leadership to the programme to ensure compliance with and the achievement of departmental targets in line with the Back to Basics strategy.
- *Local Government Legislative Support and Institutional Establishment* drafts and amends primary and secondary legislation administered by the department, and provides legal opinions to the department's stakeholders on the interpretation of legislation and matters affecting the mandate of the department. This subprogramme also provides technical support and advice on the determination and redetermination of municipal boundaries, provincial boundary issues, and local government elections.
- *Urban Development Planning* facilitates and monitors the implementation of the integrated urban development framework policy and local economic development plans. This subprogramme also supports municipalities with the implementation of various tools to facilitate integrated urban development and spatial contracts in key restructuring zones.
- *Spatial Planning Districts and Regions* facilitates the implementation of planning frameworks to promote integrated development across government and build geographic information system capacity in district and local municipalities to enhance evidence-based decision-making. This subprogramme also facilitates sustainable economic activities in the districts and lagging regions.
- *Intergovernmental Policy and Practice* reviews, clarifies and strengthens the policy and institutional environment for the assignment and management of municipal powers and functions. This subprogramme is also responsible for strengthening collaborative intergovernmental management and practice between sectors, provinces and local government.
- *Municipal Demarcation Transition Grant* makes transfers to assist municipalities in building in-house capacity to perform their functions, and to stabilise institutional and government systems. This grant ends in 2017/18.
- *Municipal Demarcation Board* makes transfers to the Municipal Demarcation Board to fund operational activities such as capacity assessments, ward delimitation and boundary redetermination. This

subprogramme's budget is transferred in full to the board.

- *South African Cities Network* makes transfers to the South African Cities Network to fund operational activities, including enabling cooperation between South African cities. This subprogramme's budget is transferred in full to the network.

Expenditure trends and estimates

Table 4.10 Regional and Urban Development and Legislative Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
R thousand											
Management: Regional and Urban Development and Legislative Support	3 038	3 345	6 122	1 158	-27.5%	2.0%	3 247	3 414	3 653	46.7%	1.4%
Local Government Legislative Support and Institutional Establishment	5 837	6 753	5 630	2 539	-24.2%	3.0%	3 420	6 329	6 742	38.5%	2.2%
Urban Development Planning	6 579	7 013	8 823	8 161	7.4%	4.5%	10 581	10 998	11 755	12.9%	4.9%
Spatial Planning Districts and Regions	8 017	6 527	8 846	13 482	18.9%	5.4%	14 554	11 527	12 268	-3.1%	6.1%
Intergovernmental Policy and Practice	6 577	6 399	7 781	7 174	2.9%	4.1%	9 022	10 686	11 453	16.9%	4.5%
Municipal Demarcation Transition Grant	-	-	3 714	325 280	-	48.3%	111 856	-	-	-100.0%	51.6%
Municipal Demarcation Board	42 152	44 230	45 793	59 220	12.0%	28.1%	50 631	53 568	56 568	-1.5%	25.9%
South African Cities Network	11 765	6 071	6 286	6 619	-17.4%	4.5%	6 950	7 353	7 765	5.5%	3.4%
Total	83 965	80 338	92 995	423 633	71.5%	100.0%	210 261	103 875	110 204	-36.2%	100.0%
Change to 2016 Budget estimate				26 618			6 431	6 931	7 831		
Economic classification											
Current payments	29 994	29 952	37 202	60 372	26.3%	23.1%	40 824	42 954	45 871	-8.7%	22.4%
Compensation of employees	17 944	19 975	22 958	18 725	1.4%	11.7%	25 912	27 597	29 682	16.6%	12.0%
Goods and services ¹	12 050	9 977	14 244	41 647	51.2%	11.4%	14 912	15 357	16 189	-27.0%	10.4%
of which:											
Catering: Departmental activities	285	343	861	749	38.0%	0.3%	869	907	960	8.6%	0.4%
Communication	441	633	522	622	12.1%	0.3%	726	1 357	1 433	32.1%	0.5%
Computer services	51	388	1 030	372	93.9%	0.3%	1 397	793	837	31.0%	0.4%
Consultants: Business and advisory services	4 100	4 668	2 908	34 051	102.5%	6.7%	5 133	3 742	3 955	-51.2%	5.5%
Consumables: Stationery, printing and office supplies	1 205	804	1 262	1 423	5.7%	0.7%	1 368	1 559	1 646	5.0%	0.7%
Travel and subsistence	4 999	2 540	6 077	3 242	-13.4%	2.5%	3 565	5 398	5 674	20.5%	2.1%
Transfers and subsidies¹	53 917	50 301	55 793	363 261	88.9%	76.8%	169 437	60 921	64 333	-43.8%	77.6%
Provinces and municipalities	-	-	3 714	297 422	-	44.2%	111 856	-	-	-100.0%	48.3%
Departmental agencies and accounts	42 152	44 230	45 793	59 220	12.0%	28.1%	50 631	53 568	56 568	-1.5%	25.9%
Non-profit institutions	11 765	6 071	6 286	6 619	-17.4%	4.5%	6 950	7 353	7 765	5.5%	3.4%
Payments for capital assets	54	85	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	54	85	-	-	-100.0%	-	-	-	-	-	-
Total	83 965	80 338	92 995	423 633	71.5%	100.0%	210 261	103 875	110 204	-36.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.6%	-	-	0.3%	0.1%	0.1%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	42 152	44 230	45 793	59 220	12.0%	28.1%	50 631	53 568	56 568	-1.5%	25.9%
Municipal Demarcation Board	42 152	44 230	45 793	59 220	12.0%	28.1%	50 631	53 568	56 568	-1.5%	25.9%
Non-profit institutions											
Current	11 765	6 071	6 286	6 619	-17.4%	4.5%	6 950	7 353	7 765	5.5%	3.4%
South African Cities Network	11 765	6 071	6 286	6 619	-17.4%	4.5%	6 950	7 353	7 765	5.5%	3.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	3 714	297 422	-	44.2%	111 856	-	-	-100.0%	48.3%
Municipal demarcation transition grant	-	-	3 714	297 422	-	44.2%	111 856	-	-	-100.0%	48.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.11 Regional and Urban Development and Legislative Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)										
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20									
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost						
Regional and Urban Development and Legislative Support		35	–	–	40	23.0	0.6	37	18.7	0.5	40	25.9	0.6	14	4.5	0.3	14	27.6	0.7	40	29.7	0.7	2.6%	100.0%	
Salary level																									
1 – 6	9	–	–	–	14	3.1	0.2	14	3.0	0.2	14	4.1	0.3	14	4.5	0.3	14	4.9	0.3	40	29.7	0.7	–	35.7%	
7 – 10	8	–	–	–	8	3.1	0.4	8	3.5	0.4	8	4.6	0.6	8	4.6	0.6	8	4.8	0.6	40	29.7	0.7	–	20.4%	
11 – 12	10	–	–	–	10	7.2	0.7	9	6.2	0.7	10	8.2	0.8	10	8.9	0.9	10	9.6	1.0	40	29.7	0.7	3.6%	24.8%	
13 – 16	8	–	–	–	8	9.5	1.2	6	6.1	1.0	8	9.0	1.1	8	9.6	1.2	8	10.3	1.3	40	29.7	0.7	10.1%	19.1%	

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

2. Rand million.

Programme 3: Institutional Development

Programme purpose

Build institutional resilience in the local government system by supporting system development, governance, capacity building and revenue management; and provide for the functions of the Department of Traditional Affairs.

Objectives

- Support municipalities in improving their financial sustainability and revenue management through the municipal systems improvement grant by helping them develop simplified revenue plans, property and consumer databases, record management systems, and organograms aligned with municipal functions by March 2019.
- Support municipalities' efforts to improve municipal finances and increase revenue by monitoring the implementation of the Municipal Property Rates Act (2004) on an ongoing basis.
- Strengthen the functionality of municipalities through the development and implementation of human resources and administrative systems, as per the Municipal Systems Act (2000), by March 2019.

Subprogrammes

- *Management: Institutional Development* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back to Basics strategy.
- *Municipal Human Resources Management Systems* builds sound municipal institutional capabilities through the development, implementation and enforcement of an efficient and effective human resource management framework as per the Municipal Systems Act (2000).
- *Municipal Finance* provides support and technical capacity to municipalities on municipal revenue management and enhancement strategies, debt collection, and free basic services.
- *Citizen Engagement* promotes local government accountability and engagement with communities implementing the citizen engagement framework.
- *Anti-Corruption and Good Governance* conducts anti-corruption campaigns that improve ethical conduct at local government level. This subprogramme also strengthens and implements preventative measures against corruption, and creates a conducive environment for the expeditious resolution of corruption cases.
- *Municipal Property Rates* provides for indirect transfers to municipalities to support them in performing their functions and stabilise institutional and governance systems, as required in the Municipal Systems Act (2000), the Municipal Property Rates Act (2004) and related legislation.
- *Local Government Equitable Share* is the share of nationally raised revenue payable to local government in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households, and for the funding of institutional capacity and support to weaker

municipalities.

- *South African Local Government Association* makes transfers to the South African Local Government Association to fund operational activities, including participation in intergovernmental structures and legislatures.
- *Municipal Systems Improvement Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems.
- *Department of Traditional Affairs* makes transfers to the Department of Traditional Affairs to support traditional leadership.
- *United Cities and Local Government of Africa* makes transfers to United Cities and Local Government of Africa to fund operational activities, enhance cooperation and knowledge sharing among local governments in Africa, and improve the delivery of services to communities across the continent.

Expenditure trends and estimates

Table 4.12 Institutional Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Management: Institutional Development	9 800	15 358	20 828	5 703	-16.5%	-	3 323	3 493	3 738	-13.1%	-	
Municipal Human Resources Management Systems	5 386	6 504	9 637	7 057	9.4%	-	7 772	8 153	8 707	7.3%	-	
Municipal Finance	8 286	8 722	13 082	33 816	59.8%	-	31 503	30 055	31 654	-2.2%	0.1%	
Citizen Engagement	4 634	6 733	6 956	8 275	21.3%	-	6 701	7 254	7 734	-2.2%	-	
Anti-Corruption and Good Governance	4 822	4 926	5 465	5 508	4.5%	-	7 348	5 474	5 835	1.9%	-	
Municipal Property Rates	7 525	7 754	9 532	13 252	20.8%	-	18 008	18 958	20 340	15.4%	-	
Local Government Equitable Share	38 964 252	41 592 070	49 366 507	52 568 706	10.5%	99.1%	57 012 141	62 731 845	67 473 465	8.7%	99.4%	
South African Local Government Association	25 999	26 904	9 215	31 500	6.6%	0.1%	31 300	33 100	34 954	3.5%	0.1%	
Municipal Systems Improvement Grant	240 307	252 152	251 442	84 349	-29.5%	0.4%	103 249	115 116	121 562	13.0%	0.2%	
Department of Traditional Affairs	111 702	115 864	125 928	129 798	5.1%	0.3%	145 006	154 216	164 313	8.2%	0.2%	
United Cities and Local Government of Africa	2 123	3 209	-	-	-100.0%	-	6 404	6 782	7 162	-	-	
Total	39 384 836	42 040 196	49 818 592	52 887 964	10.3%	100.0%	57 372 755	63 114 446	67 879 464	8.7%	100.0%	
Change to 2016 Budget estimate				219			10 930	1 011 765	2 299 033			
Economic classification												
Current payments	39 904	49 562	65 500	157 960	58.2%	0.2%	177 904	188 503	199 570	8.1%	0.3%	
Compensation of employees	30 160	33 193	39 582	32 711	2.7%	0.1%	38 057	38 121	41 017	7.8%	0.1%	
Goods and services ¹	9 744	16 369	25 918	125 249	134.2%	0.1%	139 847	150 382	158 553	8.2%	0.2%	
of which:												
Catering: Departmental activities	242	242	730	890	54.4%	-	1 074	1 138	1 205	10.6%	-	
Communication	279	428	492	1 122	59.0%	-	1 485	1 777	1 877	18.7%	-	
Consultants: Business and advisory services	1 631	9 065	12 300	92 543	284.3%	0.1%	109 454	122 176	129 019	11.7%	0.2%	
Contractors	15	52	1 207	10 178	778.7%	-	14 013	9 116	9 378	-2.7%	-	
Consumables: Stationery, printing and office supplies	525	952	1 285	1 288	34.9%	-	2 295	2 398	2 532	25.3%	-	
Travel and subsistence	4 222	4 377	5 778	7 319	20.1%	-	9 418	10 865	11 473	16.2%	-	
Transfers and subsidies¹	39 344 783	41 990 437	49 753 092	52 730 004	10.3%	99.8%	57 194 851	62 925 943	67 679 894	8.7%	99.7%	
Provinces and municipalities	39 204 559	41 844 222	49 617 949	52 568 706	10.3%	99.5%	57 012 141	62 731 845	67 473 465	8.7%	99.4%	
Departmental agencies and accounts	137 701	142 768	135 143	161 298	5.4%	0.3%	176 306	187 316	199 267	7.3%	0.3%	
Foreign governments and international organisations	825	880	-	-	-100.0%	-	1 281	1 356	1 432	-	-	
Non-profit institutions	1 698	2 567	-	-	-100.0%	-	5 123	5 426	5 730	-	-	
Payments for capital assets	149	197	-	-	-100.0%	-	-	-	-	-	-	
Machinery and equipment	149	197	-	-	-100.0%	-	-	-	-	-	-	
Total	39 384 836	42 040 196	49 818 592	52 887 964	10.3%	100.0%	57 372 755	63 114 446	67 879 464	8.7%	100.0%	
Proportion of total programme expenditure to vote expenditure	69.8%	70.8%	73.2%	72.4%	-	-	73.2%	74.2%	74.5%	-	-	

Table 4.12 Institutional Development expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies											
R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	137 701	142 768	135 143	161 298	5.4%	0.3%	176 306	187 316	199 267	7.3%	0.3%
Department of Traditional Affairs	111 702	115 864	125 928	129 798	5.1%	0.3%	145 006	154 216	164 313	8.2%	0.2%
South African Local Government Association	25 999	26 904	9 215	31 500	6.6%	0.1%	31 300	33 100	34 954	3.5%	0.1%
Foreign governments and international organisations											
Current	825	880	–	–	-100.0%	–	1 281	1 356	1 432	–	–
Common Wealth to Local Government Forum	400	238	–	–	-100.0%	–	–	–	–	–	–
United Cities and Local Governments of Africa - Morocco	425	642	–	–	-100.0%	–	1 281	1 356	1 432	–	–
Non-profit institutions											
Current	1 698	2 567	–	–	-100.0%	–	5 123	5 426	5 730	–	–
United Cities and Local Governments of Africa - South African Regional Office	1 698	2 567	–	–	-100.0%	–	5 123	5 426	5 730	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	39 204 559	41 844 222	49 617 949	52 568 706	10.3%	99.5%	57 012 141	62 731 845	67 473 465	8.7%	99.4%
Municipal systems improvement grant	240 307	252 152	251 442	–	-100.0%	0.4%	–	–	–	–	–
Local government equitable share	38 964 252	41 592 070	49 366 507	52 568 706	10.5%	99.1%	57 012 141	62 731 845	67 473 465	8.7%	99.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.13 Institutional Development personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)				
		2015/16	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20												
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Institutional Development																			
Salary level	47	–	48	39.6	0.8	53	32.7	0.6	59	38.1	0.6	53	38.1	0.7	53	41.0	0.8	–	100.0%
1 – 6	11	–	11	4.0	0.4	11	3.3	0.3	11	3.6	0.3	11	4.3	0.4	11	4.6	0.4	–	20.2%
7 – 10	8	–	8	4.9	0.6	8	3.4	0.4	8	3.8	0.5	8	3.8	0.5	8	4.3	0.5	–	14.7%
11 – 12	13	–	14	13.1	0.9	17	10.1	0.6	23	14.4	0.6	17	11.6	0.7	17	12.5	0.7	–	33.9%
13 – 16	15	–	15	17.6	1.2	17	15.9	0.9	17	16.3	1.0	17	18.4	1.1	17	19.6	1.2	–	31.2%

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

2. Rand million.

Programme 4: National Disaster Management Centre

Programme purpose

Promote an integrated and coordinated system of disaster prevention, mitigation and risk management.

Objectives

- Oversee disaster management institutional systems and improve legislative compliance by enhancing the regulatory and policy frameworks related to disaster management by March 2019.
- Improve and strengthen the system of disaster management for all common disasters, such as drought, floods and fire services, by raising public awareness about the impact of disasters and the importance of disaster management in all provinces by March 2019.

Subprogrammes

- *Management: Head of Disaster* provides strategic leadership to the programme.
- *Disaster Risk Reduction, Capacity Building and Intervention* develops and implements disaster management

operational systems; coordinates disaster management capacity building and strategic research across all three spheres of government; and provides for the allocation of disaster response, relief and rehabilitation funding after a disaster has occurred.

- *Legislation and Policy Management* develops disaster management policies and a legislative framework derived from the Disaster Management Act (2002) and the national disaster management framework, and manages the improvement of legislative compliance across sectors and spheres of government.
- *Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems* develops and implements integrated support to provinces, and monitoring and evaluation systems for disaster management and fire services.
- *Fire Services* develops fire services policies and legislative frameworks, and coordinates programmes related to the support and administration of fire services.
- *Information Technology, Intelligence and Information Management Systems* guides the development of a comprehensive information management and communication system, and establishes integrated communication links with all disaster management role players.
- *Disaster Relief Grant* is a conditional allocation that aims to provide immediate relief after disasters. Transfers are made only when a disaster has been declared.
- *Municipal Disaster Recovery Grant* is a conditional allocation to repair municipal infrastructure damaged by disasters. This grant is allocated as a second phase of disaster response to municipalities following a cost-verification process after a disaster has occurred.

Expenditure trends and estimates

Table 4.14 National Disaster Management Centre expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R thousand											
Management: Head of Disaster	5 507	17 899	5 683	3 132	-17.1%	1.9%	3 615	3 801	4 070	9.1%	0.6%
Disaster Risk Reduction, Capacity Building and Intervention	10 990	41 596	12 567	28 017	36.6%	5.6%	53 391	53 892	56 885	26.6%	8.4%
Legislation and Policy Management	7 267	5 005	6 120	5 098	-11.1%	1.4%	6 056	6 352	6 785	10.0%	1.1%
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	-	-	1 825	3 656	-	0.3%	4 273	4 505	4 834	9.8%	0.8%
Fire Services	-	-	-	3 097	-	0.2%	3 279	3 459	3 712	6.2%	0.6%
Information Technology, Intelligence and Information Management Systems	17 411	9 820	10 254	24 420	11.9%	3.7%	27 577	27 048	28 700	5.5%	4.7%
Disaster Relief Grant	264 344	121 483	35 588	381 467	13.0%	48.5%	423 713	501 188	473 392	7.5%	77.7%
Municipal Disaster Recovery Grant	118 340	190 102	186 121	140 000	5.8%	38.3%	-	-	-	-100.0%	6.1%
Total	423 859	385 905	258 158	588 887	11.6%	100.0%	521 904	600 245	578 378	-0.6%	100.0%
Change to 2016 Budget estimate				(10 000)			91	53 080	572		
Economic classification											
Current payments	36 116	67 747	35 750	65 073	21.7%	12.4%	95 775	96 558	102 347	16.3%	15.7%
Compensation of employees	18 498	18 710	20 772	17 348	-2.1%	4.5%	29 584	24 983	26 884	15.7%	4.3%
Goods and services ¹	17 618	49 037	14 978	47 725	39.4%	7.8%	66 191	71 575	75 463	16.5%	11.4%
of which:											
Bursaries: Employees	500	-	-	2 000	58.7%	0.2%	1 800	-	-	-100.0%	0.2%
Communication	368	546	541	514	11.8%	0.1%	551	582	614	6.1%	0.1%
Computer services	6 111	1 075	2 859	10 832	21.0%	1.3%	7 451	7 742	8 177	-8.9%	1.5%
Consultants: Business and advisory services	3 887	35 555	3 909	29 460	96.4%	4.4%	50 637	56 479	59 525	26.4%	8.6%
Inventory: Other supplies	-	-	-	446	-	-	489	517	546	7.0%	0.1%
Travel and subsistence	3 148	2 030	2 190	2 462	-7.9%	0.6%	2 862	3 757	3 968	17.2%	0.6%
Transfers and subsidies¹	382 684	311 585	221 736	521 467	10.9%	86.8%	423 713	501 188	473 392	-3.2%	83.9%
Provinces and municipalities	382 684	311 585	221 714	521 467	10.9%	86.8%	423 713	501 188	473 392	-3.2%	83.9%
Households	-	-	22	-	-	-	-	-	-	-	-
Payments for capital assets	5 059	6 573	672	2 347	-22.6%	0.9%	2 416	2 499	2 639	4.0%	0.4%
Machinery and equipment	5 059	6 435	672	2 347	-22.6%	0.9%	2 416	2 499	2 639	4.0%	0.4%
Heritage assets	-	138	-	-	-	-	-	-	-	-	-
Total	423 859	385 905	258 158	588 887	11.6%	100.0%	521 904	600 245	578 378	-0.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.8%	0.6%	0.4%	0.8%	-	-	0.7%	0.7%	0.6%	-	-

Table 4.14 National Disaster Management Centre expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Households											
Social benefits											
Current	-	-	22	-	-	-	-	-	-	-	-
Employee social benefits	-	-	22	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	170 714	35 532	-	269 922	16.5%	28.7%	300 281	370 597	335 488	7.5%	55.7%
Municipal disaster grant	170 714	35 532	-	269 922	16.5%	28.7%	300 281	370 597	335 488	7.5%	55.7%
Capital											
Municipal disaster recovery grant	118 340	190 102	186 121	140 000	5.8%	38.3%	-	-	-	-100.0%	6.1%
Provinces and municipalities	118 340	190 102	186 121	140 000	5.8%	38.3%	-	-	-	-100.0%	6.1%
Provinces											
Provincial revenue funds											
Current	93 630	85 951	35 593	111 545	6.0%	19.7%	123 432	130 591	137 904	7.3%	22.0%
Vehicle licences	-	-	5	-	-	-	-	-	-	-	-
Provincial disaster grant	93 630	85 951	35 588	111 545	6.0%	19.7%	123 432	130 591	137 904	7.3%	22.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.15 National Disaster Management Centre personnel numbers and cost by salary level¹

National Disaster Management Centre	Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Salary level	30	-	30	20.8	0.7	32	17.3	0.5	44	29.6	0.7	34	25.0	0.7	34	26.9	0.8	2.0%	100.0%
1-6	3	-	3	0.8	0.3	3	0.8	0.3	3	0.9	0.3	3	1.0	0.3	3	1.1	0.4	-	8.3%
7-10	10	-	10	3.9	0.4	10	3.9	0.4	10	4.6	0.5	10	5.0	0.5	10	5.4	0.5	-	27.8%
11-12	7	-	7	4.9	0.7	12	6.6	0.6	22	15.1	0.7	12	9.1	0.8	12	9.8	0.8	-	40.3%
13-16	10	-	10	11.2	1.1	7	6.1	0.9	9	9.0	1.0	9	10.0	1.1	9	10.7	1.2	8.7%	23.6%

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

2. Rand million.

Programme 5: Local Government Support and Intervention Management

Programme purpose

Conduct performance monitoring, support and interventions in municipalities and provincial departments of cooperative governance that will drive Back to Basics activities.

Objectives

- Improve reporting on and accountability for performance in local government by overseeing, coordinating and leading municipalities' implementation of government policies and programmes by March 2019.
- Coordinate and facilitate municipal infrastructure development through municipal infrastructure grant funding to extend services to unserved communities by March 2019.
- Coordinate the implementation of Back to Basics interventions in dysfunctional municipalities by monitoring and reporting municipal performance on an ongoing basis.
- Coordinate and implement sustainable infrastructure development and maintenance initiatives through the establishment of partnerships with the Municipal Infrastructure Support Agency, sector departments and other entities to improve the quality of service and extend infrastructure to unserved communities by March 2019.

Subprogrammes

- *Management: Local Government Support and Interventions* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back to Basics strategy.

- *Municipal Performance Monitoring* monitors and reports on local government performance information by institutionalising monthly performance reporting by municipalities (consolidated into quarterly analysis reports) to the department, analyses Back to Basics performance information for each municipality on a monthly basis, and identifies key trends in municipal Back to Basics performance.
- *Local Government Improvement Programme* monitors and performs diagnostic assessments to support municipalities with the development and implementation of remedial action plans.
- *Litigations and Interventions* monitors compliance with intervention policies and regulations, and develops a budget to address the infrastructure investment priorities of the poor.
- *Municipal Infrastructure Administration* administers the payments of the municipal infrastructure grant and reviews spending related to transferred funds.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to address the infrastructure investment priorities of the poor.
- *Municipal Infrastructure Support Agency* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems.

Expenditure trends and estimates

Table 4.16 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Management: Local Government Support and Interventions	8 959	6 924	13 754	3 948	-23.9%	0.1%	3 302	3 471	3 715	-2.0%	-
Municipal Performance Monitoring	14 094	4 486	5 012	322 778	184.0%	0.6%	13 442	11 136	11 907	-66.7%	0.5%
Local Government Improvement Programme	19 414	11 500	14 561	29 243	14.6%	0.1%	30 475	26 042	27 866	-1.6%	0.2%
Litigations and Interventions	12 957	11 911	8 501	11 059	-5.1%	0.1%	12 352	8 746	9 335	-5.5%	0.1%
Municipal Infrastructure Administration	7 791	10 523	15 465	35 601	65.9%	0.1%	34 097	37 428	39 735	3.7%	0.2%
Municipal Infrastructure Grant	14 224 447	14 745 445	14 955 762	14 914 028	1.6%	97.1%	15 891 252	16 787 685	17 733 731	5.9%	96.8%
Municipal Infrastructure Support Agency	261 795	294 162	304 013	349 889	10.2%	2.0%	381 483	351 237	370 707	1.9%	2.2%
Total	14 549 457	15 084 951	15 317 068	15 666 546	2.5%	100.0%	16 366 403	17 225 745	18 196 996	5.1%	100.0%
Change to 2016 Budget estimate				13 794			(91 611)	(97 508)	(40 497)		
Economic classification											
Current payments	59 308	45 138	57 175	93 353	16.3%	0.4%	93 668	86 823	92 558	-0.3%	0.5%
Compensation of employees	28 669	30 018	36 140	62 448	29.6%	0.3%	68 446	62 947	67 718	2.7%	0.4%
Goods and services ¹	30 639	15 120	21 035	30 905	0.3%	0.2%	25 222	23 876	24 840	-7.0%	0.2%
of which:											
Catering: Departmental activities	740	785	996	1 401	23.7%	-	855	782	826	-16.1%	-
Communication	533	522	690	2 506	67.5%	-	2 664	2 739	2 780	3.5%	-
Consultants: Business and advisory services	16 614	4 447	13 032	8 322	-20.6%	0.1%	6 454	6 883	7 232	-4.6%	-
Legal services	-	-	-	1 700	-	-	1 700	1 047	1 106	-13.3%	-
Consumables: Stationery, printing and office supplies	1 157	823	1 346	679	-16.3%	-	837	926	979	13.0%	-
Travel and subsistence	5 552	5 245	3 056	15 312	40.2%	-	11 479	10 102	10 444	-12.0%	0.1%
Transfers and subsidies¹	14 490 101	15 039 724	15 259 799	15 573 193	2.4%	99.6%	16 272 735	17 138 922	18 104 438	5.1%	99.5%
Provinces and municipalities	14 224 447	14 745 445	14 955 762	14 914 028	1.6%	97.1%	15 891 252	16 787 685	17 733 731	5.9%	96.8%
Departmental agencies and accounts	261 795	294 162	304 013	349 889	10.2%	2.0%	381 483	351 237	370 707	1.9%	2.2%
Households	3 859	117	24	309 276	331.1%	0.5%	-	-	-	-100.0%	0.5%
Payments for capital assets	48	89	94	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	48	89	94	-	-100.0%	-	-	-	-	-	-
Total	14 549 457	15 084 951	15 317 068	15 666 546	2.5%	100.0%	16 366 403	17 225 745	18 196 996	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	25.8%	25.4%	22.5%	21.5%	-	-	20.9%	20.2%	20.0%	-	-

Table 4.16 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20		
	R thousand										
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	261 795	294 162	304 013	349 889	10.2%	2.0%	381 483	351 237	370 707	1.9%	2.2%
Municipal Infrastructure Support Agency	261 795	294 162	304 013	349 889	10.2%	2.0%	381 483	351 237	370 707	1.9%	2.2%
Households											
Social benefits											
Current	3 859	117	24	309 276	331.1%	0.5%	-	-	-	-100.0%	0.5%
Employee social benefits	-	117	24	-	-	-	-	-	-	-	-
Non-returning local government councillors	3 859	-	-	309 276	331.1%	0.5%	-	-	-	-100.0%	0.5%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	14 224 447	14 745 445	14 955 762	14 914 028	1.6%	97.1%	15 891 252	16 787 685	17 733 731	5.9%	96.8%
Municipal infrastructure grant	14 224 447	14 745 445	14 955 762	14 914 028	1.6%	97.1%	15 891 252	16 787 685	17 733 731	5.9%	96.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.17 Local Government Support and Intervention Management personnel numbers and cost by salary level¹

Local Government Support and Intervention Management	Number of posts estimated for 31 March 2017	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
				2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost			
Salary level	81	-	-	62	36.1	0.6	87	62.4	0.7	87	68.4	0.8	73	62.9	0.9	73	67.7	0.9	-5.7%	100.0%
1 - 6	8	-	-	9	2.3	0.3	8	2.8	0.4	8	3.2	0.4	8	3.4	0.4	8	3.7	0.5	-	10.0%
7 - 10	23	-	-	23	9.6	0.4	23	12.4	0.5	23	14.1	0.6	23	15.3	0.7	23	16.6	0.7	-	28.8%
11 - 12	23	-	-	13	7.1	0.5	38	26.6	0.7	38	28.9	0.8	24	19.9	0.8	24	21.4	0.9	-14.2%	38.8%
13 - 16	27	-	-	17	17.1	1.0	18	20.6	1.1	18	22.2	1.2	18	24.3	1.3	18	26.1	1.4	-	22.5%

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

2. Rand million.

Programme 6: Community Work Programme

Programme purpose

Create income security and work experience for participants and promote social and economic inclusion by targeting areas of high unemployment.

Objectives

- Provide work opportunities as an income safety net to poor and unemployed people living in the most marginalised communities by progressively increasing the number of participants in the community work programme on an ongoing basis.
- Provide and maintain an additional 744 369 work opportunities through effective and efficient programme management, strategic partnerships and training by March 2019.

Subprogrammes

- *Management: Community Work Programme* provides strategic management and leadership to the programme.
- *Programme Coordination* develops frameworks and standard operating procedures, facilitates their implementation and the functionality of coordination structures, and monitors the performance of implementing agents.
- *Partnerships, Norms, Standards and Innovation* ensures the effective management and coordination of partnerships and special projects for the community work programme.

Expenditure trends and estimates

Table 4.18 Community Work Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Management: Community Work Programme	1 721 707	1 558 729	2 374 230	3 140 754	22.2%	99.4%	3 643 036	3 754 134	3 959 390	8.0%	98.5%
Programme Coordination	-	-	-	38 532	-	0.4%	40 367	42 613	45 260	5.5%	1.1%
Partnerships, Norms, Standards and Innovation	-	-	-	11 899	-	0.1%	12 463	13 156	13 969	5.5%	0.3%
Total	1 721 707	1 558 729	2 374 230	3 191 185	22.8%	100.0%	3 695 866	3 809 903	4 018 619	8.0%	100.0%
Change to 2016 Budget estimate				-			(57 567)	(55 343)	(63 081)		
Economic classification											
Current payments	1 721 707	1 558 693	2 338 358	3 191 185	22.8%	99.6%	3 695 866	3 809 903	4 018 619	8.0%	100.0%
Compensation of employees	24 113	22 259	29 770	63 483	38.1%	1.6%	43 260	44 352	47 853	-9.0%	1.4%
Goods and services ¹	1 697 594	1 536 434	2 308 588	3 127 702	22.6%	98.0%	3 652 606	3 765 551	3 970 766	8.3%	98.6%
of which:											
Computer services	-	-	-	48 884	-	0.6%	45 018	46 913	48 768	-0.1%	1.3%
Consultants: Business and advisory services	329 626	180 663	190 063	22 458	-59.2%	8.2%	33 323	34 693	36 636	17.7%	0.9%
Contractors	1 359 057	1 270 054	1 813 277	2 443 180	21.6%	77.8%	2 803 009	2 858 517	3 018 594	7.3%	75.6%
Inventory: Materials and supplies	100	27 220	87 756	570 555	1686.9%	7.8%	719 399	771 990	809 367	12.4%	19.5%
Consumables: Stationery, printing and office supplies	266	215	389	13 475	270.0%	0.2%	15 496	9 850	10 402	-8.3%	0.3%
Travel and subsistence	5 910	2 927	2 999	9 711	18.0%	0.2%	7 497	11 562	12 210	7.9%	0.3%
Transfers and subsidies ¹	-	-	55	-	-	-	-	-	-	-	-
Households	-	-	55	-	-	-	-	-	-	-	-
Payments for capital assets	-	36	35 817	-	-	0.4%	-	-	-	-	-
Machinery and equipment	-	36	35 817	-	-	0.4%	-	-	-	-	-
Total	1 721 707	1 558 729	2 374 230	3 191 185	22.8%	100.0%	3 695 866	3 809 903	4 018 619	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	2.6%	3.5%	4.4%	-	-	4.7%	4.5%	4.4%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	-	55	-	-	-	-	-	-	-	-
Employee social benefits	-	-	55	-	-	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.19 Community Work Programme personnel numbers and cost by salary level¹

Community Work Programme	Number of posts estimated for 31 March 2017	Number of posts funded	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)			
				2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20						
				Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
Salary level	54	-	-	57	29.8	0.5	126	63.5	0.5	89	43.3	0.5	77	44.4	0.6	80	47.9	0.6	-14.1%	100.0%
1-6	18	-	-	9	3.2	0.4	42	8.0	0.2	32	7.1	0.2	19	5.6	0.3	22	6.9	0.3	-19.4%	30.9%
7-10	18	-	-	24	8.5	0.4	42	16.9	0.4	24	8.9	0.4	30	12.3	0.4	30	13.4	0.4	-10.6%	33.9%
11-12	2	-	-	6	3.6	0.6	8	5.8	0.7	14	9.7	0.7	8	6.1	0.8	8	5.9	0.7	-	10.2%
13-16	16	-	-	18	14.5	0.8	34	32.7	1.0	19	17.4	0.9	20	20.3	1.0	20	21.7	1.1	-16.2%	25.0%

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

2. Rand million.

Other departments within the vote

Traditional Affairs

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	37.7	35.0	–	2.7	39.8	42.0
Research, Policy and Legislation	19.0	19.0	–	–	20.9	22.8
Institutional Support and Coordination	88.3	47.8	40.4	–	93.5	99.5
Total expenditure estimates	145.0	101.9	40.4	2.7	154.2	164.3
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, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate.

Department purpose

Coordinate traditional affairs across government through the development of appropriate policies, norms and standards, systems, and regulatory frameworks; and promote culture, heritage and social cohesion.

Mandate

The department's mandate extends beyond traditional and KhoiSan leadership and communities, and includes overseeing a full range of tasks inherent in dealing with all issues of traditional affairs.

The 2003 White Paper on Traditional Leadership and Governance sets out a national framework, norms and standards that define the role and place of the institution of traditional leadership within the South African system of democratic governance. It seeks to support and transform the institution in accordance with constitutional imperatives, and to restore the integrity and legitimacy of the institution in line with the African indigenous law and customs subject to the Constitution.

The mandate of the Department of Traditional Affairs is informed by the following constitutional and legislative frameworks:

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

Selected performance indicators

Table 4.20 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of genealogies and customary laws of succession for kingships updated and developed per year	Research, Policy and Legislation	Outcome 14: A diverse, socially cohesive society with a common national identity	– ¹	4	4	1	1	1	1
Percentage of traditional leadership claims and dispute cases researched per year	Institutional Support and Coordination		100% (75)	100% (80)	100% (80)	100%	100%	100%	100%
Percentage of kings and queens consulted on the National House of Traditional Leaders programme per year	Institutional Support and Coordination		– ¹	50% (6/12)	50% (6/12)	100% (12)	– ²	– ²	– ²
Number of consultations per year between the National House of Traditional Leaders and all provincial houses of traditional leaders	Institutional Support and Coordination		– ¹	4	4	4	4	4	8

1. No historical data available.

2. All kings and queens will have been consulted by the end of 2016/17.

Expenditure analysis

The strategic objectives of the Department of Traditional Affairs are aligned with outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework. The department plans to finalise all cases it receives each year over the medium term on traditional

leadership disputes and claims referred by provincial departments of traditional affairs. Enacting the Traditional Affairs Bill is expected to streamline this process as it will consolidate existing legislation and provide a single legal framework for dealing with issues of traditional leadership. An amount of R281.3 million is allocated in the *Institutional Support and Coordination* programme to support this, over the medium term.

The department also plans to enact the National Initiation Bill in the period ahead. Enacting the bill will formalise the regulation of initiation practices across South Africa and reduce the number of fatalities resulting from these practices. Further research and policy work will be done by developing and implementing the traditional communities' heritage and cultural promotion strategy to mainstream culture and heritage as part of government's broader tourism strategy. As a result, expenditure in the *Research, Policy and Legislation* programme is expected to increase from R19 million in 2017/18 to R22.8 million in 2019/20.

The department plans to establish functional partnerships with provincial, local and other stakeholders that translate to tangible socioeconomic benefits for communities. This is expected to drive an increase in expenditure from R88.3 million in 2017/18 to R99.5 million in 2019/20 in the *Institutional Support and Coordination* programme.

Expenditure trends

Table 4.21 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Research, Policy and Legislation														
3. Institutional Support and Coordination														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	8.4	8.4	8.4	21.5	21.5	22.3	29.3	29.3	31.2	28.8	28.8	28.8	103.0%	103.0%
Programme 2	11.4	11.4	11.4	13.9	13.9	14.2	14.9	14.9	15.1	17.1	17.1	17.1	101.0%	101.0%
Programme 3	22.2	22.2	22.2	80.4	80.4	75.2	81.7	81.7	79.1	83.9	83.9	83.9	97.1%	97.1%
Total	42.1	42.1	42.1	115.9	115.9	111.8	125.9	125.9	125.4	129.8	129.8	129.8	98.9%	98.9%
Change to 2016 Budget estimate														
Economic classification														
Current payments	42.1	42.1	42.1	80.5	80.5	76.5	85.1	85.1	83.9	90.2	90.2	90.2	98.3%	98.3%
Compensation of employees	42.1	42.1	42.1	49.6	49.6	50.2	54.9	54.9	56.6	61.0	61.0	61.0	101.1%	101.1%
Goods and services	-	-	-	31.0	31.0	26.3	30.2	30.2	27.3	29.2	29.2	29.2	91.6%	91.6%
Transfers and subsidies	-	-	-	35.0	35.0	35.0	36.6	36.6	36.8	38.5	38.5	38.5	100.2%	100.2%
Departmental agencies and accounts	-	-	-	35.0	35.0	-	36.6	36.6	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	35.0	-	-	36.6	38.5	38.5	38.5	285.8%	285.8%
Households	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-
Payments for capital assets	-	-	-	0.4	0.4	0.1	4.2	4.2	4.2	1.0	1.0	1.0	93.6%	93.6%
Machinery and equipment	-	-	-	0.4	0.4	0.1	4.2	4.2	4.2	1.0	1.0	1.0	93.6%	93.6%
Payments for financial assets	-	-	-	-	-	0.2	-	-	0.5	-	-	-	-	-
Total	42.1	42.1	42.1	115.9	115.9	111.8	125.9	125.9	125.4	129.8	129.8	129.8	98.9%	98.9%

Expenditure estimates

Table 4.22 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Research, Policy and Legislation									
3. Institutional Support and Coordination									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Programme 1	28.8	50.7%	22.2%	37.7	39.8	42.0	13.4%	25.0%	
Programme 2	17.1	14.4%	14.2%	19.0	20.9	22.8	10.0%	13.5%	
Programme 3	83.9	55.7%	63.7%	88.3	93.5	99.5	5.9%	61.5%	
Total	129.8	45.6%	100.0%	145.0	154.2	164.3	8.2%	100.0%	
Change to 2016 Budget estimate				3.3	3.5	3.7			

Table 4.22 Departmental expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2013/14 - 2016/17	2016/17		2017/18	2018/19	2019/20		
R million									
Current payments	90.2	29.0%	71.6%	101.9	108.6	116.3	8.8%	70.3%	
Compensation of employees	61.0	13.2%	51.3%	69.0	73.9	79.5	9.2%	47.8%	
Goods and services	29.2	-	20.2%	32.8	34.8	36.8	8.0%	22.5%	
Transfers and subsidies	38.5	-	27.0%	40.4	42.8	45.2	5.5%	28.1%	
Non-profit institutions	38.5	-	26.9%	40.4	42.8	45.2	5.5%	28.1%	
Payments for capital assets	1.0	-	1.3%	2.7	2.8	2.8	40.4%	1.6%	
Machinery and equipment	1.0	-	1.3%	2.7	2.8	2.8	40.4%	1.6%	
Total	129.8	45.6%	100.0%	145.0	154.2	164.3	8.2%	100.0%	

Goods and services expenditure trends and estimates

Table 4.23 Departmental goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20		
R thousand												
Administrative fees	-	4	107	52	-	0.2%	53	46	54	1.3%	0.2%	
Advertising	-	75	323	-	-	0.5%	275	75	75	-	0.3%	
Minor assets	-	28	42	8	-	0.1%	126	107	102	133.6%	0.3%	
Audit costs: External	-	661	2 594	2 438	-	6.9%	2 500	2 693	2 364	-1.0%	7.5%	
Bursaries: Employees	-	-	-	-	-	-	250	275	380	-	0.7%	
Catering: Departmental activities	-	695	495	267	-	1.8%	560	598	600	31.0%	1.5%	
Communication	-	1 669	830	1 595	-	4.9%	1 354	1 298	1 321	-6.1%	4.2%	
Computer services	-	-	149	-	-	0.2%	216	326	331	-	0.7%	
Consultants: Business and advisory services	-	1 737	1 886	2 378	-	7.2%	2 690	3 062	3 737	16.3%	8.9%	
Legal services	-	5 774	3 865	4 314	-	16.9%	5 400	5 748	6 243	13.1%	16.2%	
Contractors	-	37	52	-	-	0.1%	-	-	-	-	-	
Fleet services (including government motor transport)	-	192	413	720	-	1.6%	95	95	95	-49.1%	0.8%	
Consumable supplies	-	229	38	267	-	0.6%	77	78	78	-33.6%	0.4%	
Consumables: Stationery, printing and office supplies	-	764	550	3 343	-	5.6%	1 174	1 200	1 263	-27.7%	5.2%	
Operating leases	-	6	157	102	-	0.3%	300	362	150	13.7%	0.7%	
Rental and hiring	-	-	55	-	-	0.1%	-	-	-	-	-	
Property payments	-	-	5	-	-	-	-	-	-	-	-	
Travel and subsistence	-	13 501	14 473	12 011	-	48.3%	15 586	16 432	17 593	13.6%	46.1%	
Training and development	-	45	182	637	-	1.0%	327	345	338	-19.0%	1.2%	
Operating payments	-	588	678	722	-	2.4%	838	945	1 016	12.1%	2.6%	
Venues and facilities	-	265	402	363	-	1.2%	990	1 111	1 072	43.5%	2.6%	
Total	-	26 270	27 296	29 217	-	100.0%	32 811	34 796	36 812	8.0%	100.0%	

Transfers and subsidies expenditure trends and estimates

Table 4.24 Departmental transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20		
R thousand												
Provinces and municipalities												
Municipal bank accounts												
Current	-	-	4	-	-	-	-	-	-	-	-	-
Municipal bank account	-	-	4	-	-	-	-	-	-	-	-	-
Non-profit institutions												
Current	-	34 973	36 582	38 521	-	99.8%	40 447	42 793	45 189	5.5%	100.0%	
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	-	34 973	36 582	38 521	-	99.8%	40 447	42 793	45 189	5.5%	100.0%	
Households												
Social benefits												
Current	-	-	232	-	-	0.2%	-	-	-	-	-	-
Leave gratuity	-	-	232	-	-	0.2%	-	-	-	-	-	-
Total	-	34 973	36 818	38 521	-	100.0%	40 447	42 793	45 189	5.5%	100.0%	

Personnel information

Table 4.25 Departmental personnel numbers and cost by salary level and programme¹

Programmes		Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)			
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost	Unit cost	Number	Cost	Unit cost	
Traditional Affairs		88	56.6	0.7	89	61.0	0.7	99	69.0	0.7	101	73.9	0.7	101	79.5	0.8	4.3%	100.0%
Salary level		88			89			99			101			101			4.3%	100.0%
1 – 6		22	5.0	0.2	23	5.5	0.2	28	7.2	0.3	30	8.3	0.3	30	8.9	0.3	9.3%	28.5%
7 – 10		15	5.7	0.4	15	6.5	0.4	20	9.3	0.5	21	10.5	0.5	21	11.2	0.5	11.9%	19.7%
11 – 12		20	12.0	0.7	19	14.6	0.8	20	16.6	0.8	21	18.8	0.9	21	20.4	1.0	3.4%	20.8%
13 – 16		30	33.9	1.1	32	34.4	1.1	31	36.0	1.2	29	36.3	1.3	29	38.9	1.3	-3.2%	31.0%
Other		1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme		88	56.6	0.7	89	61.0	0.7	99	69.0	0.7	101	73.9	0.7	101	79.5	0.8	4.3%	100.0%
Programme 1		35	19.0	0.8	24	19.6	0.8	32	24.5	0.8	29	25.7	0.9	29	27.6	1.0	6.5%	29.2%
Programme 2		14	12.9	0.7	23	14.3	0.6	24	15.8	0.7	26	17.5	0.7	26	18.8	0.7	4.2%	25.4%
Programme 3		39	24.8	0.6	42	27.2	0.6	43	28.8	0.7	46	30.7	0.7	46	33.0	0.7	3.1%	45.4%

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

2. Rand million.

Departmental receipts

Table 4.26 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	–	4	29	338	38	–	100.0%	38	38	38	–	100.0%
Sales of goods and services produced by department	–	4	29	38	38	–	100.0%	38	38	38	–	100.0%
Sales by market establishments of which:												
Sales of goods and services produced by department	–	4	29	38	38	–	100.0%	38	38	38	–	100.0%
Sales of capital assets	–	–	–	300	–	–	–	–	–	–	–	–
Total	–	4	29	338	38	–	100.0%	38	38	38	–	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 4.27 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Ministry	–	3 129	6 098	5 700	–	16.5%	6 644	6 958	7 454	9.4%	18.0%
Management of Traditional Affairs	8 424	17 069	10 472	9 254	3.2%	49.9%	11 321	12 204	12 589	10.8%	30.6%
Corporate Services	–	1 700	12 499	11 529	–	28.4%	14 868	15 477	16 289	12.2%	39.2%
Internal Audit	–	375	2 120	2 328	–	5.3%	4 882	5 184	5 666	34.5%	12.2%
Total	8 424	22 273	31 189	28 811	50.7%	100.0%	37 715	39 823	41 998	13.4%	100.0%
Change to 2016 Budget estimate				–			2 340	2 658	2 238		
Economic classification											
Current payments	8 424	22 010	29 171	27 783	48.9%	96.4%	35 010	37 049	39 152	12.1%	93.7%
Compensation of employees	8 424	14 197	18 966	19 559	32.4%	67.4%	24 529	25 687	27 639	12.2%	65.7%
Goods and services ¹	–	7 813	10 205	8 224	–	28.9%	10 481	11 362	11 513	11.9%	28.0%
of which:											
Audit costs: External	–	661	2 594	2 438	–	6.3%	2 500	2 693	2 364	-1.0%	6.7%
Communication	–	430	398	421	–	1.4%	549	551	553	9.5%	1.4%

Table 4.27 Administration expenditure trends and estimates by subprogramme and economic classification

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16		2013/14	2016/17	2017/18	2018/19	2019/20		
Consultants: Business and advisory services	-	1 486	818	744	-	3.4%	690	732	923	7.5%	2.1%
Consumables: Stationery, printing and office supplies	-	151	385	601	-	1.3%	410	415	420	-11.3%	1.2%
Travel and subsistence	-	3 914	3 998	2 920	-	11.9%	4 151	4 648	4 970	19.4%	11.2%
Operating payments	-	563	650	381	-	1.8%	621	722	803	28.2%	1.7%
Transfers and subsidies ¹	-	-	4	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	4	-	-	-	-	-	-	-	-
Payments for capital assets	-	66	1 561	1 028	-	2.9%	2 705	2 774	2 846	40.4%	6.3%
Machinery and equipment	-	66	1 561	1 028	-	2.9%	2 705	2 774	2 846	40.4%	6.3%
Payments for financial assets	-	197	453	-	-	0.7%	-	-	-	-	-
Total	8 424	22 273	31 189	28 811	50.7%	100.0%	37 715	39 823	41 998	13.4%	100.0%
Proportion of total programme expenditure to vote expenditure	20.0%	19.9%	24.9%	22.2%	-	-	26.0%	25.8%	25.6%	-	-
Details of transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current											
	-	-	4	-	-	-	-	-	-	-	-
Municipal bank account	-	-	4	-	-	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.28 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2017		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 (%) 2016/17 - 2019/20	Average: Salary level/Total (%)			
			2015/16	Cost	Unit cost	2016/17	Cost	Unit cost	2017/18		2018/19		2019/20						
Salary level	35	-	25	19.0	0.8	24	19.6	0.8	32	24.5	0.8	29	25.7	0.9	29	27.6	1.0	6.5%	100.0%
1 - 6	8	-	6	1.4	0.2	4	0.9	0.2	7	1.7	0.2	4	1.1	0.3	4	1.2	0.3	-	16.7%
7 - 10	9	-	4	2.0	0.5	5	2.1	0.4	9	4.2	0.5	9	4.6	0.5	9	4.9	0.5	21.6%	28.1%
11 - 12	7	-	5	4.0	0.8	5	4.4	0.9	6	5.5	0.9	6	6.0	1.0	6	6.5	1.1	6.3%	20.2%
13 - 16	10	-	10	11.6	1.2	10	12.2	1.2	10	13.1	1.3	10	14.1	1.4	10	15.1	1.5	-	35.1%
Other	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

2. Rand million.

Programme 2: Research, Policy and Legislation

Programme purpose

Develop, review, coordinate and monitor the implementation of traditional affairs policies and norms and standards, and support traditional affairs entities to restore the integrity and dignity of traditional leadership.

Objectives

- Support the transformation of institutions of traditional leadership through implementing and monitoring relevant policies and legislation on an ongoing basis.
- Promote the culture, heritage and cohesiveness of traditional and interfaith communities by implementing the culture and heritage promotion strategy by March 2018.

Subprogrammes

- *Management* provides strategic oversight to the programme.
- *Policy and Legislation* develops, reviews and monitors the implementation of traditional policies, legislation, frameworks, and norms and standards. The subprogramme also ensures the alignment of provincial traditional affairs legislation and policies with national policies and legislation.
- *Research and Information Management* provides anthropological research for the department and traditional

affairs entities; provides research support for entities; develops and maintains traditional affairs information-management systems; implements national frameworks and strategies for the coordination of social cohesion within the sector to promote interfaith affairs; and promotes the progressive cultural and heritage practices of traditional and KhoiSan communities.

Expenditure trends and estimates

Table 4.29 Research, Policy and Legislation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Management	11 428	4 075	3 874	3 994	-29.6%	40.4%	1 683	1 771	2 054	-19.9%	11.9%
Policy and Legislation	-	3 404	3 551	4 147	-	19.2%	3 766	3 986	4 378	1.8%	20.4%
Research and Information Management	-	6 750	7 687	8 980	-	40.5%	13 575	15 135	16 377	22.2%	67.7%
Total	11 428	14 229	15 112	17 121	14.4%	100.0%	19 024	20 892	22 809	10.0%	100.0%
Change to 2016 Budget estimate				-			27	(2)	396		
Economic classification	11 428	14 229	14 857	17 121	14.4%	99.6%	19 024	20 892	22 809	10.0%	100.0%
Current payments	11 428	12 114	12 906	14 252	7.6%	87.6%	15 755	17 465	18 792	9.7%	83.0%
Compensation of employees	-	2 115	1 951	2 869	-	12.0%	3 269	3 427	4 017	11.9%	17.0%
Goods and services ¹	-	-	-	-	-	-	-	-	-	-	-
of which:											
Catering: Departmental activities	-	128	22	11	-	0.3%	95	103	106	112.8%	0.4%
Communication	-	239	182	295	-	1.2%	244	252	257	-4.5%	1.3%
Consumables: Stationery, printing and office supplies	-	202	62	493	-	1.3%	281	315	352	-10.6%	1.8%
Travel and subsistence	-	1 533	1 458	1 856	-	8.4%	2 312	2 442	3 004	17.4%	12.0%
Operating payments	-	-	-	79	-	0.1%	105	110	100	8.2%	0.5%
Venues and facilities	-	12	224	50	-	0.5%	70	65	65	9.1%	0.3%
Transfers and subsidies ¹	-	-	232	-	-	0.4%	-	-	-	-	-
Households	-	-	232	-	-	0.4%	-	-	-	-	-
Payments for capital assets	-	-	23	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	23	-	-	-	-	-	-	-	-
Total	11 428	14 229	15 112	17 121	14.4%	100.0%	19 024	20 892	22 809	10.0%	100.0%
Proportion of total programme expenditure to vote expenditure	27.2%	12.7%	12.1%	13.2%	-	-	13.1%	13.5%	13.9%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	-	-	232	-	-	0.4%	-	-	-	-	-
Leave gratuity	-	-	232	-	-	0.4%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.30 Research, Policy and Legislation personnel numbers and cost by salary level¹

Research, Policy and Legislation	Number of posts estimated for 31 March 2017		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 (%) 2016/17 - 2019/20	Average Salary level/Total (%)						
			2015/16	Unit cost	Cost	2016/17	Unit cost	Cost	2017/18	Unit cost	Cost			2018/19	Unit cost	Cost	2019/20	Unit cost	Cost
Salary level	14	-	19	12.9	0.7	23	14.3	0.6	24	15.8	0.7	26	17.5	0.7	26	18.8	0.7	4.2%	100.0%
1-6	3	-	4	0.8	0.2	6	1.4	0.2	7	1.9	0.3	9	2.5	0.3	9	2.7	0.3	14.5%	31.3%
7-10	-	-	3	1.3	0.4	4	1.8	0.5	4	2.0	0.5	4	2.1	0.5	4	2.3	0.6	-	16.2%
11-12	5	-	6	3.7	0.6	7	4.7	0.7	7	5.1	0.7	7	5.5	0.8	7	6.0	0.9	-	28.3%
13-16	6	-	6	7.1	1.2	6	6.3	1.1	6	6.8	1.1	6	7.3	1.2	6	7.9	1.3	-	24.2%

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

2. Rand million.

Programme 3: Institutional Support and Coordination

Programme purpose

Provide comprehensive support to the institutions of traditional leadership, including KhoiSan leadership structures, to coordinate traditional affairs across the three spheres of government.

Objectives

- Increase the number of functional structures of traditional leadership through the implementation of regulations aimed at transforming the sector by March 2018.
- Promote socioeconomic development within traditional communities by participating in the municipal integrated development planning processes on an ongoing basis.

Subprogrammes

- *Management* provides strategic oversight for programme.
- *Institutional Development and Capacity Building* ensures that traditional communities are empowered by reviewing and developing national support programmes for these communities and their governance structures.
- *Intergovernmental Relations and Partnerships* promotes and integrates the role and place of traditional affairs and the institutions of traditional leadership, including KhoiSan leadership structures, in the South African governing system by establishing synergistic relationships with other governance structures across the three spheres of government.
- *National House of Traditional Leaders* enhances cooperation between government and the institutions of traditional leadership, and advises government on programmes, policies and legislation that affect traditional communities.
- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities promotes and protects the cultural, religious and linguistic rights of communities.
- *Commission on Traditional Leaders Disputes and Claims* processes and finalises traditional leadership disputes and claims.

Expenditure trends and estimates

Table 4.31 Institutional Support and Coordination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Management	4 403	1 913	1 458	2 195	-20.7%	3.8%	1 733	1 824	2 109	-1.3%	2.2%
Institutional Development and Capacity Building	–	4 811	5 079	6 898	–	6.4%	6 675	7 351	7 894	4.6%	7.9%
Intergovernmental Relations and Partnerships	–	5 784	6 511	7 291	–	7.5%	7 675	7 858	7 929	2.8%	8.4%
National House of Traditional Leaders	10 552	15 068	18 554	15 185	12.9%	22.8%	17 621	18 955	20 682	10.8%	19.8%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	–	34 973	36 582	38 521	–	42.3%	40 447	42 793	45 189	5.5%	45.7%
Commission on Traditional Leaders Disputes and Claims	7 280	12 700	10 877	13 776	23.7%	17.1%	14 116	14 720	15 703	4.5%	16.0%
Total	22 235	75 249	79 061	83 866	55.7%	100.0%	88 267	93 501	99 506	5.9%	100.0%
Change to 2016 Budget estimate				–			930	827	1 028		
Economic classification											
Current payments	22 235	40 276	39 895	45 345	26.8%	56.7%	47 820	50 708	54 317	6.2%	54.3%
Compensation of employees	22 235	23 934	24 755	27 221	7.0%	37.7%	28 759	30 701	33 035	6.7%	32.8%
Goods and services ¹	–	16 342	15 140	18 124	–	19.0%	19 061	20 007	21 282	5.5%	21.5%
of which:											
Communication	–	1 000	250	879	–	0.8%	561	495	511	-16.5%	0.7%
Consultants: Business and advisory services	–	251	1 068	1 634	–	1.1%	2 000	2 330	2 814	19.9%	2.4%
Legal services	–	5 774	3 865	4 314	–	5.4%	5 400	5 748	6 243	13.1%	5.9%
Consumables: Stationery, printing and office supplies	–	411	103	2 249	–	1.1%	483	470	491	-39.8%	1.0%
Travel and subsistence	–	8 054	9 017	7 235	–	9.3%	9 123	9 342	9 619	10.0%	9.7%
Venues and facilities	–	61	30	313	–	0.2%	720	746	728	32.5%	0.7%
Transfers and subsidies¹	–	34 973	36 582	38 521	–	42.3%	40 447	42 793	45 189	5.5%	45.7%
Non-profit institutions	–	34 973	36 582	38 521	–	42.3%	40 447	42 793	45 189	5.5%	45.7%
Payments for capital assets	–	–	2 584	–	–	1.0%	–	–	–	–	–
Machinery and equipment	–	–	2 584	–	–	1.0%	–	–	–	–	–
Total	22 235	75 249	79 061	83 866	55.7%	100.0%	88 267	93 501	99 506	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	52.8%	67.3%	63.1%	64.6%	–	–	60.9%	60.6%	60.6%	–	–

Table 4.31 Institutional Support and Coordination expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
		2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand												
Non-profit institutions												
Current												
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities												
		-	34 973	36 582	38 521	-	42.3%	40 447	42 793	45 189	5.5%	45.7%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 4.32 Institutional Support and Coordination personnel numbers and cost by salary level¹

Number of funded posts	Number of posts estimated for 31 March 2017	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)				
			2015/16			2016/17			2017/18		2018/19		2019/20							
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Institutional Support and Coordination																				
Salary level	39	-	40	24.8	0.6	42	27.2	0.6	43	28.8	0.7	46	30.7	0.7	46	33.0	0.7	3.1%	100.0%	
1 - 6	11	-	12	2.8	0.2	13	3.2	0.2	14	3.7	0.3	17	4.7	0.3	17	5.1	0.3	9.4%	34.5%	
7 - 10	6	-	6	2.4	0.4	6	2.6	0.4	7	3.1	0.4	8	3.8	0.5	8	4.0	0.5	10.1%	16.4%	
11 - 12	8	-	6	4.4	0.7	7	5.5	0.8	7	5.9	0.8	8	7.3	0.9	8	7.9	1.0	4.6%	16.9%	
13 - 16	14	-	16	15.2	0.9	16	15.9	1.0	15	16.0	1.1	13	14.9	1.1	13	16.0	1.2	-6.7%	32.2%	

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

2. Rand million.

Entities¹

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

Mandate

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities was established in terms of section 181(1)(c) of the Constitution to protect and promote the rights of cultural, religious and linguistic communities, and strengthen constitutional democracy.

The commission is mandated to:

- promote and develop peace, friendship, humanity, tolerance and national unity among cultural, religious and linguistic communities on the basis of equality, non-discrimination and free association
- promote respect for, and further the protection of, the rights of cultural, religious and linguistic communities
- recommend the establishment or recognition of community councils in accordance with national legislation.

¹ This section has been compiled with the latest available information from the entities concerned.

Selected performance indicators

Table 4.33 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of complaints handled per year	Investigation and conflict resolution	Outcome 14: A diverse, socially cohesive society with a common national identity	-1	-1	-1	100%	100%	100%	100%
Number of recommendations formulated and referred to relevant organs of state per year	Investigation and conflict resolution		-1	-1	-1	8	9	10	10
Number of research reports published per year	Research and policy development		12	12	2	4	4	4	4
Number of reports on conflict resolution management per year	Public education and community engagement		-1	-1	-1	5	5	5	5
Number of engagements (dialogues, seminars and information sharing sessions) with communities per year	Public education and community engagement		38	48	68	78	84	84	84

1. No historical data available.

Expenditure analysis

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities gives effect to outcome 14 (a diverse, socially cohesive society with a common national identity) of government's 2014-2019 medium-term strategic framework by supporting national policy on cultural, religious and linguistic matters. The commission's focus over the medium term will continue to be on handling and resolving public dispute cases on linguistic, cultural and religious differences; and implementing the recommendations of the investigation report on the commercialisation of religion in South Africa.

The commission aims to handle and resolve all public dispute cases it receives each year over the medium term. In doing this, it plans to formulate and refer 29 recommendations to relevant organs of the state, and develop 15 reports on conflict resolution management pertaining to these cases per year. To achieve these targets, the commission expects to spend R7.5 million over the medium term in the investigation and conflict resolution programme. Expenditure in the programme, driven mainly by legal costs, is set to grow at 8.6 per cent.

The commission aims to formulate 12 research reports, particularly on issues of the commercialisation of religion and traditional healing, over the medium term. As a result, expenditure in the research and policy development programme is expected to grow from R2.3 million in 2017/18 to R2.6 million in 2019/20.

Expenditure on compensation of employees for 36 permanent personnel and 12 sitting commissioners is the main driver of spending in the commission. As a result, expenditure in the administration programme is expected to increase from R29.1 million in 2017/18 to R32.5 million in 2019/20.

The commission receives all of its revenue from transfers from the Department of Traditional Affairs. This allocation is set to grow at an average annual rate of 5.6 per cent, from R40.4 million in 2017/18 to R45.4 million in 2019/20.

Programmes/objectives/activities

Table 4.34 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16	2016/17				2013/14 - 2016/17	2017/18	2018/19		
Administration	22 100	22 912	25 017	26 813	6.7%	68.5%	29 104	30 638	32 468	6.6%	70.9%	
Investigation and conflict resolution	2 079	1 793	2 110	2 093	0.2%	5.7%	2 330	2 513	2 683	8.6%	5.7%	
Research and policy development	1 991	1 582	2 086	1 861	-2.2%	5.4%	2 286	2 452	2 592	11.7%	5.5%	
Public education and community engagement	3 943	4 169	5 102	3 607	-2.9%	11.9%	2 961	3 163	3 352	-2.4%	7.8%	
Communication and marketing	-	4 697	3 577	4 317	-	8.5%	3 938	4 203	4 444	1.0%	10.1%	
Total	30 113	35 153	37 892	38 691	8.7%	100.0%	40 619	42 969	45 539	5.6%	100.0%	

Statements of historical financial performance

Table 4.35 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities statements of historical financial performance

Statement of financial performance		2013/14		2014/15		2015/16		2016/17		Average: Outcome/Budget (%)
		Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand										
Revenue										
Non-tax revenue	-	122	150	179	150	207	170	170		144.3%
Other non-tax revenue	-	122	150	179	150	207	170	170		144.3%
Transfers received	32 503	32 503	34 973	34 974	36 582	36 581	38 521	38 521		100.0%
Total revenue	32 503	32 625	35 123	35 153	36 732	36 788	38 691	38 691		100.1%
Expenses										
Current expenses	32 503	30 113	34 973	35 153	35 805	37 892	38 691	38 691		99.9%
Compensation of employees	19 104	18 646	21 894	16 875	21 235	18 017	23 451	20 611		86.5%
Goods and services	13 399	10 991	12 656	17 846	14 060	19 438	14 899	17 739		120.0%
Depreciation	-	475	423	432	510	437	341	341		132.3%
Interest, dividends and rent on land	-	1	-	-	-	-	-	-		-
Total expenses	32 503	30 113	34 973	35 153	35 805	37 892	38 691	38 691		99.9%
Surplus/(Deficit)	-	2 512	150	-	927	(1 104)	-	-		

Statements of estimates of financial performance

Table 4.36 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities statements of estimates of financial performance

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R thousand									
Revenue									
Non-tax revenue	170	11.7%	0.5%	173	176	179	1.7%	0.4%	
Other non-tax revenue	170	11.7%	0.5%	173	176	179	1.7%	0.4%	
Transfers received	38 521	5.8%	99.5%	40 447	42 793	45 361	5.6%	99.6%	
Total revenue	38 691	5.8%	100.0%	40 620	42 969	45 540	5.6%	100.0%	
Expenses									
Current expenses	38 691	8.7%	100.0%	40 619	42 969	45 539	5.6%	118.7%	
Compensation of employees	20 611	3.4%	52.7%	22 265	23 679	25 422	7.2%	54.8%	
Goods and services	17 739	17.3%	46.1%	17 934	18 865	19 687	3.5%	44.3%	
Depreciation	341	-10.5%	1.2%	420	425	430	8.0%	1.0%	
Total expenses	38 691	8.7%	100.0%	40 619	42 969	45 539	5.6%	100.0%	
Surplus/(Deficit)	-	(1)		1	-	-			

Personnel information

Table 4.37 Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities																			
Salary level	-	43	45	18.0	0.4	-	20.6	-	43	22.3	0.5	29	23.7	0.8	29	25.4	0.9	7.2%	-
1 - 6	-	4	4	0.5	0.1	-	0.6	-	4	0.6	0.2	4	0.6	0.2	4	0.7	0.2	7.0%	-
7 - 10	-	29	30	9.2	0.3	-	10.5	-	29	11.3	0.4	15	11.9	0.8	15	12.8	0.9	6.7%	-
11 - 12	-	5	6	3.7	0.6	-	4.3	-	5	4.7	0.9	5	5.1	1.0	5	5.4	1.1	8.5%	-
13 - 16	-	5	5	4.6	0.9	-	5.2	-	5	5.6	1.1	5	6.1	1.2	5	6.5	1.3	7.4%	-

1. Rand million.

Municipal Demarcation Board

Mandate

The Municipal Demarcation Board is an independent authority responsible for a number of functions. Section 3 of the Local Government Municipal Demarcation Act (1998) provides that the board is a juristic entity, is independent and must be impartial. The board is mandated to determine municipal boundaries in accordance with this act and other appropriate legislation enacted in terms of chapter 7 of the Constitution. The board is also mandated to delimit wards in compliance with schedule 1 of the Municipal Structures Act (1998). In terms of

section 85 of the Municipal Structures Act (1998), the board must assess the capacity of municipalities to perform their functions and exercise their powers, and provide advice to members of the executive councils responsible for local government. By Cabinet resolution, the board must assist government departments to align their service delivery boundaries with municipal boundaries.

Selected performance indicators

Table 4.38 The Municipal Demarcation Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past		Current	Projections			
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Delimitation of municipal ward boundaries by March 2020 to facilitate 2021 local government elections	Operation and research	Outcome 9: Responsive, accountable, effective and efficient local government	- ¹	- ¹	All wards for 2016 local government elections finalised	All reports on evaluation of ward delimitation process prepared	Review of all ward delimitation policy and procedures finalised	Draft plan for the 2021 ward delimitation process finalised	Engagement with all stakeholders on ward delimitation process finalised in preparation for the 2021 local elections
Development of capacity assessment model for selected municipalities struggling to perform their functions by March 2019	Operation and research		- ¹	- ¹	Concept document of new and relevant municipal capacity assessment model developed	Municipal capacity assessment model developed	Municipal capacity assessment model implemented in 4 provinces	Municipal capacity assessment model implemented in 5 provinces	- ²
Determination and redetermination of municipal outer boundaries by March 2020	Operation and research		- ¹	- ¹	Municipal boundary redeterminations approved	Policy and procedure for municipal outer boundary determination and redetermination developed and approved based on technical assessments conducted	Notices issued to publicise the process to determine municipal boundaries	Consultations held with all affected stakeholders in technical municipal boundary alignment	Notices containing final ward boundaries issued per province

1. No historical data available.

2. Capacity assessment reviews the ability of selected municipalities to perform their functions as mandated by the Constitution and provides relevant MECs with information for decision-making on demarcation-related matters.

Expenditure analysis

Through its determination of municipal boundaries, the work of the Municipal Demarcations Board gives effect to outcome 9 (responsive, accountable, effective and efficient local government) of government's 2014-2019 medium-term strategic framework. In preparation for the 2021 local government elections, the board will focus on the determination and redetermination of outer municipal boundaries, and ward delimitation within municipalities. Once ward boundaries have been determined, the board will start the work of ward delimitation, set to begin in 2017/18. The operation and research programme caters for these activities with an allocation of R36.7 million over the medium term, 79 per cent of which is earmarked for spending on compensation of employees who provide the required technical expertise.

Over the medium term, the board will also focus on finalising capacity assessments for selected municipalities in all provinces by conducting research on the ability of these municipalities to carry out their assigned functions, with the aim of providing information for decision-making on the redetermination of their boundaries. A total of 81 municipalities are targeted for capacity assessment in 2017/18 in Gauteng, Mpumalanga, Limpopo and Free State, and 176 municipalities are targeted in 2018/19 in the remaining provinces. These activities are budgeted for in the research and knowledge management programme, which has an allocation of R9.4 million over the medium term, decreasing at an average annual rate of 22.5 per cent to restore the programme's baseline allocation after 30 cases were reviewed in 2016/17 that resulted in 13 boundary redeterminations.

Administrative costs such as legal fees, costs for publication notices and gazettes, and allowances for board members are set to be the board's main drivers of expenditure over the medium term. Accordingly, expenditure in the administration programme is set to increase from R36.1 million in 2017/18 to R40.6 million in 2019/20, accounting for a projected 70.8 per cent of total expenditure over the MTEF period. The board receives all of its revenue for operations and research through transfers from the Department of Cooperative Governance.

Programmes/objectives/activities**Table 4.39 The Municipal Demarcation Board expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2013/14 - 2016/17	2017/18	2018/19		
Administration	31 584	40 650	39 173	40 440	8.6%	69.4%	36 140	39 034	40 592	0.1%	70.8%
Operation and research	13 132	11 635	24 238	11 341	-4.8%	27.1%	11 613	12 197	12 880	4.3%	21.8%
Research and knowledge management	-	-	1 303	6 939	-	3.5%	3 398	2 774	3 232	-22.5%	7.3%
Total	44 716	52 285	64 714	58 720	9.5%	100.0%	51 151	54 005	56 704	-1.2%	100.0%

Statements of historical financial performance and position**Table 4.40 The Municipal Demarcation Board statements of historical financial performance and position**

Statement of financial performance

R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	6 000	948	5 711	942	19 272	495	500	500	9.2%
Sale of goods and services other than capital assets	27	11	28	39	34	32	-	-	92.1%
of which:									
Administrative fees	-	-	-	5	-	6	-	-	-
Sales by market establishment	27	11	28	34	34	26	-	-	79.8%
Other non-tax revenue	5 973	937	5 683	903	19 238	463	500	500	8.9%
Transfers received	42 152	42 182	44 230	44 230	45 793	45 793	58 220	58 220	100.0%
Total revenue	48 152	43 130	49 941	45 172	65 065	46 288	58 720	58 720	87.1%
Expenses									
Current expenses	48 152	44 716	49 941	52 285	65 065	64 714	58 720	58 720	99.3%
Compensation of employees	23 994	17 991	23 898	20 081	20 242	20 242	28 521	28 260	89.6%
Goods and services	23 363	25 607	25 613	30 637	43 256	43 098	30 199	30 460	106.0%
Depreciation	795	1 118	430	1 567	1 567	1 374	-	-	145.4%
Total expenses	48 152	44 716	49 941	52 285	65 065	64 714	58 720	58 720	99.3%
Surplus/(Deficit)	-	(1 586)	-	(7 113)	-	(18 426)	-	-	-

Statement of financial position

R thousand	2013/14		2014/15		2015/16		2016/17		Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Carrying value of assets	6 064	3 394	7 833	5 340	3 800	4 542	3 710	3 710	79.3%
of which:									
Acquisition of assets	(1 268)	(689)	(1 239)	(3 678)	(1 735)	(698)	(1 007)	-	96.5%
Investments	-	-	-	-	-	2	-	-	-
Inventory	334	228	350	372	355	191	400	400	82.8%
Receivables and prepayments	569	438	597	109	580	58	559	559	50.5%
Cash and cash equivalents	16 981	27 233	13 183	17 095	2 500	174	1 500	1 500	134.7%
Total assets	23 948	31 293	21 963	22 916	7 235	4 967	6 169	6 169	110.2%
Accumulated surplus/(deficit)	19 694	25 643	17 500	18 391	-	(58)	-	-	118.2%
Trade and other payables	3 481	2 968	3 651	2 435	5 229	2 600	4 219	4 219	73.7%
Provisions	773	2 682	812	2 090	2 006	2 425	1 950	1 950	165.1%
Total equity and liabilities	23 948	31 293	21 963	22 916	7 235	4 967	6 169	6 169	110.2%

Statements of estimates of financial performance and position**Table 4.41 The Municipal Demarcation Board statements of estimates of financial performance and position**

Statement of financial performance

R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
Revenue								
Non-tax revenue	500	-19.2%	1.6%	520	530	500	-	0.9%
Other non-tax revenue	500	-18.9%	1.5%	520	530	500	-	0.9%
Transfers received	58 220	11.3%	98.4%	50 631	53 568	56 568	-1.0%	99.1%
Total revenue	58 720	10.8%	100.0%	51 151	54 098	57 068	-0.9%	100.0%
Expenses								
Current expenses	58 720	9.5%	100.0%	52 951	55 605	58 394	-0.2%	99.7%
Compensation of employees	28 260	16.2%	39.5%	30 116	32 230	34 540	6.9%	55.5%
Goods and services	30 460	6.0%	58.6%	21 035	21 775	22 164	-10.1%	42.2%
Depreciation	-	-100.0%	1.9%	1 800	1 600	1 690	-	2.3%
Total expenses	58 720	9.5%	100.0%	52 951	55 605	58 394	-0.2%	100.0%
Surplus/(Deficit)	-	(1)	-	(1 800)	(1 507)	(1 326)	-	-

Statement of financial position

R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
Carrying value of assets	3 710	3.0%	46.4%	4 600	4 600	-	-100.0%	-
Inventory	400	20.6%	3.2%	420	420	-	-100.0%	-
Receivables and prepayments	559	8.5%	3.0%	490	492	-	-100.0%	-
Cash and cash equivalents	1 500	-62.0%	47.4%	1 800	1 900	-	-100.0%	-
Total assets	6 169	-41.8%	100.0%	7 310	7 412	-	-100.0%	-
Trade and other payables	4 219	12.4%	35.2%	5 300	5 450	-	-100.0%	-
Provisions	1 950	-10.1%	24.5%	2 010	1 962	-	-100.0%	-
Total equity and liabilities	6 169	-41.8%	100.0%	7 310	7 412	-	-100.0%	-

Personnel information

Table 4.42 The Municipal Demarcation Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment											Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost
The Municipal Demarcation Board		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20	
Salary level	53	53	20.2	0.4	53	28.3	0.5	54	29.5	0.5	54	31.6	0.6	54	33.9	0.6	6.3% 100.0%	
1 – 6	10	10	10	0.7	0.1	10	0.6	0.1	10	0.7	0.1	10	0.8	0.1	10	0.8	0.1	9.5% 18.6%
7 – 10	25	25	25	7.6	0.3	25	10.0	0.4	26	11.3	0.4	26	12.1	0.5	26	13.1	0.5	9.4% 47.9%
11 – 12	4	4	4	2.7	0.7	4	2.8	0.7	4	2.9	0.7	4	3.1	0.8	4	3.4	0.9	6.5% 7.4%
13 – 16	13	13	13	8.6	0.7	13	12.8	1.0	13	12.6	1.0	13	13.4	1.0	13	14.3	1.1	3.9% 24.2%
17 – 22	1	1	1	0.6	0.6	1	2.0	2.0	1	2.1	2.1	1	2.2	2.2	1	2.3	2.3	4.1% 1.9%

1. Rand million.

Municipal Infrastructure Support Agency

Mandate

Municipal Infrastructure Support Agency is a government component within the Cooperative Governance and Traditional Affairs portfolio, and was established in terms of section 7(5)(c) of the Public Service Act (1994). The government notice on the establishment of the agency identifies the following main strategic goals: render technical advice and support to municipalities so that they optimise municipal infrastructure provisioning; and support and strengthen the capacity of municipalities to provide access to basic services, exercise their powers, and perform the functions required to develop, maintain and operate municipal infrastructure.

The agency's mandate is derived from the following sections of the Constitution:

- section 154(1), which provides that national and provincial governments must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers, and perform their functions
- section 155(7), which provides that national and provincial governments have the legislative and executive authority to see to the effective performance by municipalities of their functions by regulating the manner in which municipalities exercise their executive authority.

Selected performance indicators

Table 4.43 Municipal Infrastructure Support Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of municipalities supported to plan and/or implement projects to develop and/or maintain municipal infrastructure per year	Municipal and sectoral technical support	Outcome 9: Responsive, accountable, effective and efficient local government	-1	-1	34	40	60	65	70
Number of municipalities assisted with the development and/or review of municipal infrastructure master plans per year	Municipal and sectoral technical support		-1	-1	33	30	45	50	55
Number of municipalities supported to develop and/or review infrastructure operations and maintenance plans and/or policies and/or procedures per year	Municipal and sectoral technical support		-1	-1	21	20	30	35	40
Number of regional management support contracts awarded per year	Municipal and sectoral technical support		-1	-1	-1	1	2	3	0
Number of apprentices provided with theoretical and workplace training per year	Capacity development		103	200	366	376	300	250	180
Number of graduates and technical personnel provided with workplace training and mentorship towards professional registration per year	Capacity development		40	40	204	244	264	270	274
Number of municipal officials provided with technical skills training per year	Capacity development		129	200	400	50	450	500	550
Number of approved performance reports on the agency's outcomes per year	Strategic support		4	4	4	4	4	4	4

1. No historical data available.

Expenditure analysis

The focus of the Municipal Infrastructure Support Agency over the medium term is to roll out regional management support contracts to assist local governments with infrastructure requirements, and provide technical support to municipalities considered to be in a dysfunctional state. The role of the agency is inherently linked to the National Development Plan's vision of a capable developmental state, and its mandate is specifically linked to outcome 9 (responsive accountable, effective and efficient local government) of government's 2014-2019 medium-term strategic framework.

Five regional management support contracts will be rolled out over the period ahead for the benefit of 10 local municipalities in 3 district municipalities, all in Eastern Cape: OR Tambo, Amathole and Alfred Nzo. These contracts will enable municipalities to deal with pressing water infrastructure and sanitation problems. An allocation of R180 million has been set aside for this.

In support of broader service delivery, the agency is implementing a refocusing strategy that seeks to improve its in-house capacity to address technical problems in municipalities. Over the medium term, the agency will aim to provide technical support to municipalities considered to be in a dysfunctional state. The refocusing strategy will assist in improving the functioning of municipal infrastructure in these municipalities. The strategy entails reducing the use of consultants through the employment of permanent staff. As a result, the number of personnel in the agency is expected to increase from 418 in 2017/18 to 543 in 2019/20, driving an expected increase in expenditure on compensation of employees from R131.6 million in 2017/18 to R175.4 million in 2019/20.

To professionalise the local government sector, the agency will aim to increase the registration of professionals in engineering, town and regional planning, construction, and project management. Over the medium term, the agency intends to increase the number of young graduates recruited and placed with municipalities for workplace exposure from 264 in 2017/18 to 274 in 2019/20, and provide infrastructure-related technical skills training to an estimated 1 500 municipal officials in areas such as the maintenance of water and wastewater treatment plants, and the management of water networks. This will be done through the municipal and sectoral technical support programme, in which the allocation is set to decrease from R231.8 million in 2017/18 to R203.5 million in 2019/20 as some municipalities will be covering these associated costs.

The agency does not generate its own revenue. Its activities and programmes are funded through transfers of R1.1 billion over the medium term from the Department of Cooperative Governance.

Programmes/objectives/activities

Table 4.44 Municipal Infrastructure Support Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
Administration	51 167	72 079	51 726	52 038	0.6%	18.7%	54 636	57 805	61 042	5.5%	15.5%
Municipal and sectoral technical support	204 889	177 758	154 148	207 341	0.4%	60.9%	231 818	192 892	203 495	-0.6%	57.5%
Capacity development	21 205	37 563	71 958	74 445	52.0%	16.5%	78 162	82 695	87 326	5.5%	22.2%
Strategic support	5 954	13 435	13 893	16 065	39.2%	4.0%	16 867	17 845	18 844	5.5%	4.8%
Total	283 215	300 835	291 725	349 889	7.3%	100.0%	381 483	351 237	370 707	1.9%	100.0%

Statements of historical financial performance and position

Table 4.45 Municipal Infrastructure Support Agency statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	-	3 622	-	-	-	-	-	-	-
Other non-tax revenue	-	3 622	-	-	-	-	-	-	-
Transfers received	-	305 821	-	304 104	304 013	306 318	349 889	349 889	193.6%
Total revenue	-	309 443	-	304 104	304 013	306 318	349 889	349 889	194.2%

Table 4.45 Municipal Infrastructure Support Agency statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Expenses									
Current expenses	–	283 215	–	300 835	304 013	291 725	349 889	349 889	187.4%
Compensation of employees	–	43 127	–	54 594	66 500	55 837	71 155	70 619	162.9%
Goods and services	–	237 886	–	241 945	237 513	228 506	271 234	271 770	192.7%
Depreciation	–	2 202	–	4 296	–	7 382	7 500	7 500	285.1%
Total expenses	–	283 215	–	300 835	304 013	291 725	349 889	349 889	187.4%
Surplus/(Deficit)	–	26 228	–	3 269	–	14 593	–	–	–
Statement of financial position									
Carrying value of assets	–	38 826	–	44 287	30 630	39 769	29 130	29 130	254.4%
of which:									
Acquisition of assets	–	(33 119)	–	(9 730)	–	(2 865)	–	–	–
Receivables and prepayments	–	17 029	–	11 927	19 755	2 226	20 736	20 736	128.2%
Cash and cash equivalents	–	114 993	–	7 663	15 294	52 940	18 234	18 234	578.1%
Total assets	–	170 848	–	63 877	65 679	94 935	68 100	68 100	297.3%
Accumulated surplus/(deficit)	–	26 228	–	29 498	20 875	44 110	21 070	21 070	288.2%
Trade and other payables	–	142 402	–	32 165	40 261	48 588	42 262	42 262	321.6%
Provisions	–	2 162	–	1 730	4 543	1 606	4 769	4 769	110.3%
Derivatives financial instruments	–	56	–	484	–	631	–	–	–
Total equity and liabilities	–	170 848	–	63 877	65 679	94 935	68 101	68 101	297.3%

Statements of estimates of financial performance and position

Table 4.46 Municipal Infrastructure Support Agency statements of estimates of financial performance and position

Statement of financial performance									Average: Expenditure/ Total (%)
	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R thousand	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Transfers received	349 889	4.6%	99.7%	381 483	351 237	370 707	1.9%	100.0%	
Total revenue	349 889	4.2%	100.0%	381 483	351 237	370 707	1.9%	100.0%	
Expenses									
Current expenses	349 889	7.3%	100.0%	381 483	351 237	370 707	1.9%	–	
Compensation of employees	70 619	17.9%	18.2%	131 588	156 497	175 357	35.4%	36.6%	
Goods and services	271 770	4.5%	80.1%	242 095	186 840	187 350	-11.7%	61.2%	
Depreciation	7 500	50.5%	1.7%	7 800	7 900	8 000	2.2%	2.1%	
Total expenses	349 889	7.3%	100.0%	381 483	351 237	370 707	1.9%	100.0%	
Surplus/(Deficit)	–	(1)	–	–	–	–	–	–	
Statement of financial position									
Carrying value of assets	29 130	-9.1%	44.2%	28 628	28 628	30 059	1.1%	40.2%	
Receivables and prepayments	20 736	6.8%	15.4%	21 769	22 858	24 000	5.0%	30.8%	
Cash and cash equivalents	18 234	-45.9%	40.5%	21 266	21 913	23 008	8.1%	29.0%	
Total assets	68 100	-26.4%	100.0%	71 663	73 399	77 067	4.2%	100.0%	
Accumulated surplus/(deficit)	21 070	-7.0%	34.7%	22 290	23 237	24 398	5.0%	31.3%	
Trade and other payables	42 262	-33.3%	61.7%	44 366	45 112	47 367	3.9%	61.7%	
Provisions	4 769	30.2%	3.2%	5 006	5 050	5 302	3.6%	6.9%	
Total equity and liabilities	68 101	-26.4%	100.0%	71 663	73 399	77 067	4.2%	100.0%	

Personnel information

Table 4.47 Municipal Infrastructure Support Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		2018/19		2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Municipal Infrastructure Support Agency																			
Salary level	527	527	515	55.8	0.1	637	70.6	0.1	418	131.6	0.3	489	156.5	0.3	543	175.4	0.3	35.4%	100.0%
1 – 6	495	495	494	43.3	0.1	605	49.9	0.1	269	15.9	0.1	281	21.5	0.1	289	9.3	0.0	-42.8%	67.5%
7 – 10	11	11	8	1.6	0.2	11	2.5	0.2	30	9.5	0.3	55	17.6	0.3	76	26.6	0.3	120.2%	8.5%
11 – 12	3	3	3	1.6	0.5	3	1.6	0.5	30	18.4	0.6	42	26.2	0.6	49	31.9	0.7	172.4%	6.3%
13 – 16	18	18	10	9.4	0.9	18	16.7	0.9	89	87.8	1.0	111	91.3	0.8	129	107.6	0.8	86.1%	17.6%

1. Rand million.

South African Local Government Association

Mandate

The South African Local Government Association is an association of municipalities recognised by the Organised Local Government Act (1997) as a representative of organised local government. As such, it is mandated to transform the local government sector to have the required capacity to make a meaningful contribution to poverty

alleviation, economic development and all socioeconomic opportunities the state has committed itself to providing. The association serves as the representative voice of all municipalities.

Selected performance indicators

Table 4.48 South African Local Government Association performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of municipalities provided with advice and support to implement the Spatial Planning and Land Use Management Act (2013) per year	Economic development and management planning	Outcome 9: Responsive, accountable, effective and efficient local government	-1	-1	-1	258	258	258	258
Number of small towns revitalised to effect greater socioeconomic development per year	Economic development and management planning		-1	-1	-1	4	6	8	8
Number of structured engagements with national and provincial legislatures and the executive in respect of policy and legislation negatively affecting local government per year	Governance, intergovernmental relations and international relations		-1	-1	-1	55	55	55	55
Number of municipalities represented in disciplinary hearings and grievances, conciliations and arbitrations per year	Municipal institutional development		-1	-1	-1	150	208	208	208
Number of municipalities supported to improve coordination and access to service delivery per year	Municipal infrastructure and services		-1	-1	-1	20	20	20	20
Number of municipalities with adverse audit outcomes supported to implement the municipal standard chart of accounts per year	Municipal finance		-1	-1	-1	-1	10	15	15
Number of municipalities supported to improve revenue management, credit control and outstanding debt collection per year	Municipal finance		-1	-1	-1	65	65	65	65

1. No historical data available.

Expenditure analysis

As a representative of local government, the South African Local Government Association contributes to the achievement of outcome 9 (responsive, accountable, effective and efficient local government) of government's 2014-2019 medium-term strategic framework. As a result, over the medium term, the association will continue to focus on representing and lobbying for municipalities, and engaging the Department of Cooperative Governance and Traditional Affairs on policy and legislative measures affecting local governments; providing technical support and improving revenue collection processes in all municipalities; and supporting and providing advice to all municipalities on the implementation of the Spatial Planning and Land Use Management Act (2013).

Through its participation in national and provincial legislatures and relevant intergovernmental relations platforms, the association will continue to engage the department on policy and legislative measures affecting local governments, particularly on the implementation of the Back to Basic strategy. The association plans to produce one report each year on councillor remuneration to lobby and advocate for councillor interests, after engagements with the department and the commission for the remuneration of public office bearers. An amount of R176.5 million over the medium term is allocated to the governance, intergovernmental relations and international relations programme. Half of this allocation is provided for participation in mandatory intergovernmental relations structures, in line with the Back to Basics strategy, driving an increase of 14.8 per cent in allocations to this programme over the medium term.

Over the medium term, the association aims to improve revenue collection in 195 municipalities by reviewing, piloting and rolling out the revenue management best practice framework, which has been implemented successfully to improve revenue collection in various municipalities. The association will also provide technical support to 40 municipalities selected on the basis of adverse audit reports for 2015/16. These activities will be delivered through the municipal finance programme, which has an allocation of R134.5 million over the medium term.

The association will also support and provide advice to all municipalities on implementing the Spatial Planning and Land Use Management Act (2013) over the MTEF period, and R161.9 million over the medium term is allocated to the economic development and management planning programme for this.

As part of its employer role, the entity plans to represent 208 municipalities each year over the medium term in disciplinary hearings, grievances, conciliations and arbitrations. This is budgeted for in the municipal institutional development programme, which has an allocation of R250.1 million over the period ahead.

Expenditure on compensation of employees is expected to total R1.2 billion over the medium term, growing at an average annual rate of 7.8 per cent as the association often needs to assign specialists to municipalities. The association will receive R99.3 million in transfers from the department over the medium term to subsidise expenditure related to its core functions, while R1.7 billion is expected to be derived through annual payments from member municipalities.

Programmes/objectives/activities

Table 4.49 South African Local Government Association expenditure trends and estimates by programme/objective/activity

	Audited outcome				Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20			
Administration	191 758	244 876	237 112	273 038	12.5%	48.9%	277 045	302 937	326 069	6.1%	45.7%	
Community development	33 474	34 613	39 326	50 312	14.5%	8.1%	51 213	57 125	60 616	6.4%	8.5%	
Economic development and management planning	30 887	37 252	39 515	48 497	16.2%	8.0%	50 637	53 938	57 292	5.7%	8.2%	
Governance, intergovernmental relations and international relations	26 636	30 168	32 788	42 410	16.8%	6.8%	52 267	59 976	64 243	14.8%	8.4%	
Municipal institutional development	43 610	46 697	57 467	86 502	25.6%	11.8%	88 299	80 393	81 451	-2.0%	13.1%	
Municipal infrastructure and services	38 785	42 335	52 930	55 368	12.6%	9.8%	57 611	61 328	64 098	5.0%	9.3%	
Municipal finance	21 396	32 613	36 640	40 578	23.8%	6.7%	42 123	44 820	47 556	5.4%	6.8%	
Total	386 546	468 554	495 778	596 705	15.6%	100.0%	619 195	660 517	701 325	5.5%	100.0%	

Statements of historical financial performance and position

Table 4.50 South African Local Government Association statements of historical financial performance and position

Statement of financial performance									
	Budget		Audited outcome		Budget		Audited outcome		Average Outcome/ Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17		
R thousand	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2013/14 - 2016/17	
Revenue									
Non-tax revenue	377 291	384 120	410 964	469 394	469 589	495 754	516 928	523 138	105.5%
Sale of goods and services other than capital assets	358 278	368 273	399 182	444 153	454 947	465 497	492 746	501 872	104.4%
<i>of which:</i>									
<i>Sales by market establishment</i>	358 278	368 273	399 182	444 153	454 947	465 497	492 746	501 872	104.4%
<i>Membership levies</i>	350 300	362 245	397 569	429 100	449 997	460 070	480 496	489 422	103.7%
<i>Recoveries</i>	7 978	6 028	1 613	15 053	4 950	5 427	12 250	12 450	145.4%
Other non-tax revenue	19 013	15 847	11 782	25 241	14 642	30 257	24 182	21 266	133.0%
Transfers received	33 391	33 682	27 294	33 342	28 225	27 146	50 850	73 720	120.1%
Total revenue	410 682	417 802	438 258	502 736	497 814	522 900	567 778	596 858	106.6%
Expenses									
Current expenses	403 084	386 546	438 258	468 554	497 552	495 778	567 611	596 705	102.2%
Compensation of employees	188 159	195 910	218 672	226 091	263 972	294 042	356 913	340 428	102.8%
Goods and services	210 106	184 613	213 490	233 928	223 807	193 117	199 931	245 510	101.2%
Depreciation	3 350	5 070	4 218	7 430	7 842	7 592	8 734	8 734	119.4%
Interest, dividends and rent on land	1 469	953	1 878	1 105	1 931	1 027	2 033	2 033	70.0%
Total expenses	403 084	386 546	438 258	468 554	497 552	495 778	567 611	596 705	102.2%
Surplus/(Deficit)	7 598	31 256	-	34 182	262	27 122	167	153	-
Statement of financial position									
Carrying value of assets	15 501	30 960	13 313	31 113	34 081	34 415	88 548	88 548	122.2%
<i>of which:</i>									
<i>Acquisition of assets</i>	(6 800)	(8 547)	(2 680)	(7 480)	(9 420)	(9 716)	(63 214)	(63 214)	108.3%
Investments	-	1 060	-	1 069	1 028	1 084	1 028	1 028	206.3%
Receivables and prepayments	21 422	30 128	15 193	37 950	31 250	67 583	26 500	26 500	171.8%
Cash and cash equivalents	46 244	116 498	75 774	154 449	187 546	120 199	190 622	190 622	116.3%
Total assets	83 167	178 646	104 280	224 581	253 905	223 281	306 698	306 698	124.8%
Accumulated surplus/(deficit)	42 598	90 540	(3 966)	124 721	155 581	136 363	215 995	215 995	138.4%
Capital and reserves	2 260	2 260	2 260	2 260	2 260	2 260	2 260	2 260	100.0%
Capital reserve fund	-	4 779	-	1 791	-	1 293	-	-	-
Finance lease	4 502	3 829	4 489	4 837	7 472	2 846	7 993	7 993	79.8%
Deferred income	4 449	3 868	4 409	2 065	2 193	-	2 329	2 329	61.7%
Trade and other payables	29 067	72 717	28 058	79 690	84 166	66 902	75 749	75 749	135.9%
Provisions	291	653	306	9 217	2 233	13 617	2 372	2 372	497.1%
Total equity and liabilities	83 167	178 646	35 556	224 581	253 905	223 281	306 698	306 698	137.4%

Statements of estimates of financial performance and position

Table 4.51 South African Local Government Association statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
R thousand								
Revenue								
Non-tax revenue	523 138	10.8%	91.9%	556 719	597 935	636 826	6.8%	89.7%
Sale of goods and services other than capital assets	501 872	10.9%	87.4%	534 973	575 054	612 714	6.9%	86.2%
<i>of which:</i>								
Sales by market establishment	501 872	10.9%	87.4%	534 973	575 054	612 714	6.9%	86.2%
Membership levies	489 422	10.6%	85.5%	525 273	562 104	599 764	7.0%	84.3%
Recoveries	12 450	27.3%	1.9%	9 700	12 950	12 950	1.3%	1.9%
Other non-tax revenue	21 266	10.3%	4.5%	21 746	22 881	24 112	4.3%	3.5%
Transfers received	73 720	29.8%	8.1%	63 100	62 984	64 838	-4.2%	10.3%
Total revenue	596 858	12.6%	100.0%	619 819	660 919	701 664	5.5%	100.0%
Expenses								
Current expenses	596 705	15.6%	100.0%	619 195	660 517	701 325	5.5%	138.6%
Compensation of employees	340 428	20.2%	53.8%	368 732	397 071	426 412	7.8%	59.4%
Goods and services	245 510	10.0%	44.4%	239 028	250 757	261 513	2.1%	38.7%
Depreciation	8 734	19.9%	1.5%	9 276	10 403	10 986	7.9%	1.5%
Interest, dividends and rent on land	2 033	28.7%	0.3%	2 159	2 286	2 414	5.9%	0.3%
Total expenses	596 705	15.6%	100.0%	619 195	660 517	701 325	5.5%	100.0%
Surplus/(Deficit)	153	(1)		624	402	339	30.4%	-
Statement of financial position								
Carrying value of assets	88 548	41.9%	18.9%	102 608	127 332	6 600	-57.9%	22.1%
<i>of which:</i>								
Acquisition of assets	(63 214)	94.8%	-8.3%	(75 500)	(84 500)	(183 600)	42.7%	-30.9%
Investments	1 028	-1.0%	0.5%	1 028	1 028	1 028	-	0.3%
Receivables and prepayments	26 500	-4.2%	18.2%	30 075	27 750	26 550	0.1%	8.1%
Cash and cash equivalents	190 622	17.8%	62.5%	236 568	276 392	256 808	10.4%	69.6%
Total assets	306 698	19.7%	100.0%	370 279	432 502	290 986	-1.7%	100.0%
Accumulated surplus/(deficit)	215 995	33.6%	59.4%	286 603	354 970	215 900	-	76.0%
Capital and reserves	2 260	-	1.0%	2 260	2 260	2 260	-	0.7%
Finance lease	7 993	27.8%	2.0%	8 268	8 654	9 138	4.6%	2.5%
Deferred income	2 329	-15.6%	1.0%	2 464	2 607	2 753	5.7%	0.7%
Trade and other payables	75 749	1.4%	32.7%	68 175	61 357	58 133	-8.4%	19.3%
Provisions	2 372	53.7%	2.8%	2 509	2 654	2 802	5.7%	0.8%
Total equity and liabilities	306 698	19.7%	100.0%	370 279	432 502	290 986	-1.7%	100.0%

Personnel information

Table 4.52 South African Local Government Association personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost	
South African Local Government Association		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20		
Salary level	547	547	484	294.0	0.6	547	340.4	0.6	551	368.7	0.7	552	397.1	0.7	552	426.4	0.8	7.8%	100.0%
1 - 6	86	86	82	15.4	0.2	86	17.3	0.2	86	18.2	0.2	86	20.1	0.2	86	22.1	0.3	8.5%	15.6%
7 - 10	269	269	237	119.0	0.5	269	137.4	0.5	273	150.5	0.6	274	161.5	0.6	274	172.9	0.6	8.0%	49.5%
11 - 12	144	144	119	99.2	0.8	144	121.3	0.8	144	130.4	0.9	144	140.4	1.0	144	150.6	1.0	7.5%	26.2%
13 - 16	47	47	45	56.6	1.3	47	60.5	1.3	47	65.4	1.4	47	70.5	1.5	47	75.8	1.6	7.8%	8.5%
17 - 22	1	1	1	3.8	3.8	1	3.9	3.9	1	4.3	4.3	1	4.6	4.6	1	4.9	4.9	7.8%	0.2%

1. Rand million.

Additional tables

Table 4.A Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Conditional grants to provinces							
National Disaster Management Centre							
Provincial disaster grant	93 630	85 951	35 588	111 545	123 432	130 591	137 904
Total	93 630	85 951	35 588	111 545	123 432	130 591	137 904
Conditional grants to municipalities							
Regional and Urban Development and Legislative Support							
Municipal demarcation transition grant	–	–	3 714	297 422	111 856	–	–
National Disaster Management Centre							
Municipal disaster grant	170 714	35 532	–	269 922	300 281	370 597	335 488
Local Government Support and Intervention Management							
Municipal infrastructure grant	14 224 447	14 745 445	14 955 762	14 914 028	15 891 252	16 787 685	17 733 731
Total	14 513 501	14 971 079	15 145 597	15 621 372	16 303 389	17 158 282	18 069 219

1. Detail provided in the Division of Revenue Act (2017).

Table 4.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2013/14	2014/15		2015/16	2017/18
R thousand								
Departmental infrastructure								
Infrastructure transfers to other spheres, agencies and departments								
Mega projects (total project cost of at least R1 billion over the project life cycle)								
Municipal infrastructure grant transfer	Eradication of the backlog in municipal infrastructure, provision of basic services to poor households	Various	83 958 256	14 224 447	14 745 445	14 914 028	15 891 252	16 787 685
Total			83 958 256	14 224 447	14 745 445	14 914 028	15 891 252	16 787 685

Table 4.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate	
							2013/14	2014/15		2015/16	2017/18
R thousand											
Foreign in cash											
European Union	Masibambane	Administration	April 2009 - March 2010	31 778	Goods and services	Support municipal urban renewal programme	7	-	-	-	-
European Union	Public participation and empowerment	Administration	September 2008 - November 2011	39 585	Goods and services	Expand and strengthen community based participation in local government	-	-	-	-	-
United Kingdom Department for International Development	Community work programme	Administration	June 2010 - March 2016	15 000	Goods and services	Implement the community work programme	1 591	-	-	-	-
Foreign in kind											
Deutsche Gesellschaft für Internationale Zusammenarbeit	Local government support programme	Administration	January 2009 - 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	315	-	-	-	-
Italy	Decentralisation and local development policies in South Africa	Administration	April 2007 - 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	1 177	-	-	-	-
Total				236 071			3 090	-	-	9 600	-

BUDGET 2017

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

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