

VOTE 7

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

To be appropriated by vote in 2017/18	R 470 218 000
Responsible MEC	MEC for Cooperative Governance and Traditional Affairs
Administering Department	Department of Cooperative Governance and Traditional Affairs
Accounting Officer	Head of Department

1. OVERVIEW

Vision

Globally competitive Gauteng City Region, putting people first with service delivery excellence and economic performance.

Mission

To facilitate and support cooperative governance across all spheres of government and associated institutions, and to promote the institution of traditional leadership for Gauteng.

Strategic Goals

The department is geared towards achieving the three strategic objectives which are to:

- Transform COGTA to a professional, impacting operational department with high performance;
- Ongoing environmental and customer diagnostics; and
- Facilitate Local Government to ascend to World Class GCR (to include Traditional Leadership).

Core functions and responsibilities

The mandate of the department highlights cooperative governance, and is essential for integrated development. The department provides support to and monitors municipalities and tribal authorities by:

- Monitoring the municipalities and traditional authorities' development and performance;
- Supporting local authorities where there are capacity constraints;
- Promoting capacity development in a systematic manner, to ensure that municipalities are able to manage their own affairs;
- Advising, commenting on and approving Integrated Development Plans (IDP's);
- Providing key support services to municipalities in implementing the Municipal Finance Management Act (No. 56 of 2003) (MFMA) and supporting Community Development Workers (CDW's);
- Intervening where local authorities fail to perform their designated functions and mandates; and
- Strengthening the functioning of Municipal Public Accounts Committees.

Main services

To assist the province's municipalities to achieve good governance and accountability through the implementation of the oversight model, the department continues to provide support to the same municipalities but there will now be 11 municipalities instead of 12 due to the merger of the Randfontein and Westonaria municipalities. It continues to monitor the effectiveness and impact of the Municipal Public Accounts Committees (MPACs') oversight and accountability functions. This enables MPACs to contribute to improved assessment of the municipalities' accountability and responsibility to render services to its communities, as per the mandate.

The main focus of the department in the 2017/18 financial year will be to continue strengthening ward-based planning and public participation through the induction and training of ward committees, as a result of the local government elections which will bring in new ward committees and councillors. The department will continue to monitor the effectiveness and the impact of MPAC in carrying out its oversight and accountability functions. The department has draft a 15-year review of Local Government report on the performance of the municipalities in line with their mandate to their constituencies. The report has been presented to the different forum and the comments have been effected into the report.

The department exercises oversight over the relationship between local municipalities' structures, traditional leadership structures and communities in the province. The Department will continue to monitor progress in achieving targets such as the implementation of waste water management systems, provincial sanitation and water demand management strategies, until the output is achieved. The department continues to monitor the implementation of the Sedibeng Regional Sanitation Scheme.

The integration of IDPs and dealing with municipal debt in respect of revenue management, are some of the specific areas in which the Department will provide support in the coming financial year. The department has supported the Municipal Demarcation Board's intention to finalise the merger of municipalities in the West Rand district to form a bigger municipality with an aim of utilising resources, optimally. The department played a key role in the preparation for the 2016 local government elections through voter education. A total of 2, 575, and 200 Voter education booklets special vote time tables were distributed through community engagements such as public meetings, Ntirhisano feedback campaigns and CDW outreach programmes.

Ten-Pillar programme

Transformation of state and governance

In line with the audit outcomes of the 2016/17 financial year, the department will allocate funding aimed at providing capacity-building support to municipalities in critical areas so that they comply with the province's Operation Clean Audit. To achieve this, it will support municipalities with asset management, financial management, revenue enhancement, performance management systems, project and contract management and skills development in scarce skills areas. Ten municipalities will be monitored and provided with advisory support for the implementation of audit response plans as per MFMA Section 131 based on the 2015/16 audit outcomes. Support will be provided for the implementation of the tariff models in Westonaria and Randfontein local municipalities and the Sedibeng Region, and the process will be monitored for implementation.

The establishment of a new municipality in the West Rand District through a merger between Westonaria and Randfontein is on course. The necessary structures have been established to ensure that the merger is a success and the preparatory work is 75 per cent to 100 per cent complete, except for the Communication Work Stream, which is lagging behind. The Section 12 notice has been finalised and consulted and implemented with the affected municipalities and stakeholders. A project management office with specialised skills has since been created to finalise the remaining issues. The department will continue to provide post-merger support to the new municipality.

The process of ensuring that 529 ward committees are in place will continue in the 2017/18 financial year. To assist with this, the department has allocated R2.9 million for training, auditing the skills of new members of ward committees and supporting their mandates, assessing the committees' impact; and strengthening public participation. The department will work with municipalities on their local economic development (LED) strategies which are intended to strengthen their economies in the context of an economically inclusive GCR.

Modernisation of the public service

Over and above monitoring the implementation of back to basics, the department will continue to investigate and recommend methods and ways that will improve access to municipal services and payment of the same.

The department has allocated substantial funding to improve access to basic services. This funding will ensure continuous provision of free basic services such as free electricity, water and sanitation by municipalities to indigent communities. However, the province continues to experience in-migration of people seeking better opportunities. The department plans to ensure that municipalities have support plans in place for the implementation of the Mega Human Settlements programmes.

National Development Plan

CoGTA is committed to playing a role in meeting the NDP goals of reducing unemployment and poverty while improving the lives of the citizens of our country. The department has embarked on job creation initiatives through the Tshepo 500 000 Programme and the Community Workers Programme (CWP). The plan is to create 750 job opportunities through Tshepo 500 000 with the 19 000 jobs on the CWP programme maintained. Support will be provided to municipalities to take them forward also taking into account the Outcome 9 as part of the national government priorities. The department will continue to support and monitor local government performance to ensure that municipalities become viable and sustainable and are able to carry out their constitutional mandate.

External activities and events relevant to Budget decisions

The expected promulgation of the national bill on traditional leadership, which will give Khoisan leaders the status of traditional leaders, will have an impact on the budget, including through the anticipated remuneration packages for traditional leaders.

Acts, rules and regulations – (Legislative Mandates)

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- Local Government: Municipal Property Rate Act (Act No. 6 of 2004);
- National Environmental Management Act (Act No. 107 of 1998), as amended by Act No. 8 of 2004;
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Local Government: Municipal Systems Act (Act No. 32 of 2000);
- Public Finance Management Act (Act No. 1 of 1999);
- Local Government: Demarcation Act (Act No. 27 of 1998);
- Local Government: Municipal Structure Act (Act No. 117 of 1998);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- Expropriation Act (1951), as repealed by Act No. 63 of 1975;
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

Provincial legislation

- Gauteng Traditional Leadership Act no. 10 of 2010;
- Gauteng Types of Municipality Act no. 03 of 2000; and
- Gauteng City Improvement Act no. 12 of 1997.

Good governance legislation

- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003); and
- Public Finance Management Act (Act No. 1 of 1999).

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2016/17)**Transformation of the state and governance**

Three targeted local municipalities of Emfuleni, Rand-West City and Merafong, were supported through the Back to Basics programme 100 per cent of the Action Plans has been implemented. After the 3 August 2016 local government elections, following the merger of Randfontein and Westonaria into a single local municipality, Back to Basics support was confined to three local municipalities. In these municipalities, 100 per cent of invoices received were paid to service providers within the 30 days as prescribed by the PFMA.

The Midvaal induction was held on 3 December 2016 as part of ward establishment. The ward committees have been established in Gauteng to ensure adherence to national functionality criteria. 11 municipalities were supported with development of ward level databases with community concerns and remedial actions produced through the Premier's Hotline and Ntirhisano war room. Three main thematic programmes were supported across all wards.

CDWs continued to support government programmes through advocacy initiatives and democratic participatory processes, in particular the Integrated Development Plan (IDP) process. Support was provided to IDP/Community Based Planning (CBP). Twelve IDP meetings/initiatives and seven imbizos were supported during this reporting period. Through community mobilisation, CDWs played a role in initiating and supporting three programmes:

- Nine Heritage Month campaigns/initiatives were held in three municipalities (COJ, COT, Mogale City)
- Six Transport Month campaigns/initiatives were supported in five municipalities: (COJ, Rand-West City, Mogale City and Merafong)
- Three 16 Days of Activism campaigns/initiatives were supported in COT.

A report was produced detailing individual and community service delivery cases referred to municipalities, provincial and national departments. CDWs had dealt with 5 110 cases as at the end of quarter 3 of the 2016/17 financial year.

12 municipalities were monitored on the implementation of Audit Response Plans based on the 2015/16 audit outcomes as per MFMA section 131. This resulted in 74 per cent of the AG issues being resolved leaving only 16 per cent unresolved. All Gauteng municipalities received positive audit outcomes (unqualified and clean).

Four municipalities were supported with maintaining their Infrastructure Asset Registers in line with GRAP 17 requirements. This resulted in the elimination of findings in the area of Property, Plant and Equipment for all the supported municipalities with two of the municipalities improving from adverse audit opinions to unqualified audit outcomes.

A target of 80 per cent was planned on reducing the current municipal debt. However, only 91 per cent in arrears were collected. The total billed as current for the quarter under review amounted to R 283 million. The total amount collected including arrears was R 437 million as at the end of the third quarter 2016/17 financial year. The target was over-achieved as a result of the Department of Infrastructure Development's payments of arrears to COT and Ekurhuleni Metro.

A total of 80 per cent was planned for collection of top 500 business debtors where the total billed amounted to R6.7 billion and the total collected as at the third quarter of 2016/17 was R5.4 billion. This was an 81 per cent collection rate from the top 500 business debtors. 90 per cent of COJ billing queries were targeted to be resolved in the third quarter. A total of 40 703 queries were resolved, representing 92 per cent of COJ billing queries. A report was produced in which a Tariff Model was customized for Merafong Local Municipality.

The department is continuously monitoring the implementation of MIG and USDG to ensure that all resources meant for infrastructure development are used fully; municipalities are supported in delivering their service delivery programmes. Six local municipalities were supported with implementing MIG funding. One municipality was not supported due to the merger of Randfontein and Westonaria LMs after the 3 August 2016 local government elections into the single municipality of RandWest City.

Through the MISA support programme, three municipalities (Merafong, RandWest and Lesedi) were supported with preparing tender documents, and designing civil, electrical and mechanical works on water, sanitation road and electricity. In meeting the targets of the Community Works Programme (CWP), 19 452 employment opportunities were created. The over-achievement is as a result of the programme allowing 10 per cent additional participants at each site.

There are challenges in relation to water conservation. Municipalities were to implement technical and social interventions in relation to the Water Conservation and Demand Management Strategy to reduce water losses by 3.7 per cent by the end of the 2016/17 financial year. Challenges related to the ageing infrastructure in Lesedi and capacity constraints in other municipalities. The department is in the process of placing artisans in municipalities to address the water technical losses.

In facilitating and supporting the implementation of WC/WDM AMD interventions and rain water harvesting by municipalities and sector departments, the department is implementing WC/WDM by providing support through the installation of rain water harvesting systems in 12 schools and emergency works projects (short-term solutions) in the Eastern, Central and Western Basins, pumping and neutralising on average 86, 72 and 30 million litres AMD per day respectively.

Modernisation of the public service

A report has been produced indicating that five Municipal Disaster Centres are functional, with COT complying with the legislative requirements on disaster management (Enabler 3- Funding for disaster management function).

Transformation of the public service

Processes were put in place in order to ensure an easy transition of for the new administration after the elections and to ensure that capacity building interventions were put in place in municipalities. Ward committees are being established, with the process scheduled to be complete end by 31 March 2017. The induction of the established committees has moved without obstacles. There are areas where there were few challenges such as Tshwane COT where all of the ward committees were disestablished after the previous term. The department has intervened to ensure that new ward committees are established. 50 women councillors were trained on GEYODI as part of the process of ensuring that new councillors are ready for their new roles. The department continued to monitor the functionality of ward committees in the province and reported quarterly on the progress made. Six municipalities (COJ, Ekurhuleni, Merafong, Midvaal, Mogale and Westonaria) are adhering to the national functional criteria. 324 meetings were convened by ward councillors: COJ: 132; Ekurhuleni: 150; Merafong: 5; Midvaal: 4; Mogale City: 24; and Westonaria: 9.

12 municipalities were supported with implementing and institutionalising the Scarce and Critical Skills Strategy focusing on the areas of Finance; Management; Infrastructure and Oversight (S79) inclusive of MPACs. 30 officials were trained in technical skills and 20 in Finance as part of the rollout of the Scarce and Critical Skills Strategy.

Transformation of the state and governance

The department is committed to full implementation of B2B phase 2 based on the ten-point plan approved by Cabinet. The implementation plan has been developed and consultation with municipalities has already taken place to ensure synergy in execution. The department continues to support municipalities declared as being at risk; these are RandWest City, Emfuleni, Merafong and Lesedi local municipalities. Support plans have been developed for these municipalities and the department plans to continue providing this support in the 2017/18 financial year.

CDWs support government programmes through advocacy initiatives and participatory democracy processes, in particular with the IDP process, ward committees and imbizos. Individual and community service delivery cases were referred to the War Room, municipalities, provincial and national departments. Three main thematic programmes were supported during the current financial year: Freedom Month, Health Month and Workers Month. In addition, 225 ad hoc campaigns/

initiatives were supported. CDWs dealt with a total of 5 252 cases during the current year.

In relation to water conservation, municipalities are implementing technical and social interventions of the Water Conservation and Demand Management Strategy with the aim of reducing losses by 3.7 per cent by the end of the 2016/17 financial year. Phase 2 of the long term solution to Acid Mine Drainage (AMD) was launched by the Minister of Water and Sanitation on 18 May 2016. This will help reduce the impact of AMD on the environment. The department will support the DWS in this endeavour. Expenditure is currently at R320.939 million translating to 81.17 per cent of total funds up to the end of June 2016. The department is still committed to its plan to assist municipalities to reduce water losses by 15 per cent by 2018/2019. The present situation is as follows:

- Mogale City: currently water losses are 26 per cent against the target of 35 per cent;
- COT: non-revenue water losses is 25.4 per cent against the annual target of 25.06 per cent;
- Emfuleni: carrying out a smart meter pilot study in the Bedworth Park area;
- Randfontein: installed 100 smart meters in Mohlakeng;
- Midvaal: 28.77 per cent target of water losses; progress not reported to date; and
- Westonaria: water losses have been reduced to 10 per cent from 12.5 per cent after the installation of around 850 prepaid meters.

Modernisation of the public service

The restoration of the Provincial Disaster Management Centre (PDMC) is on course, with the plan approved by EXCO. An appropriate building to house the Centre has been secured and a fleet of vehicles, able to deal with any type of disaster in the province, has been branded. The building is located in Midrand and is currently in the process of being equipped. The department is currently working with the State Information Technology Agency (SITA) and other state entities to ensure a state of the art ICT system for the Centre. The Disaster Management Strategy is being developed to deal with current and future challenges

Transformation of the public service

To contribute to the transformation of the public service, the department achieved 57 per cent of its employment equity targets in the financial year. This was an overachievement.

To improve financial management, 12 municipalities will be monitored and provided with advisory support on implementing Audit Response Plans based on the 2015/16 audit outcomes as per MFMA Section 131. This will be done through municipal-based Operation Clean Audit (OPCA) steering committee meetings and quarterly OPCA Provincial Coordinating Committee (PCC) engagements.

The municipal debt management committee report indicates that municipalities' collection rate was 91 per cent due to strengthen implementation of credit control policies by municipalities and the fact that the Department of Infrastructure Development and the Department of Public Works were granted additional funds to pay for municipal services. Randfontein Municipality was given financial support to cascade (level 3-5) of the Automated Performance Management System (PMS) whilst Merafong, COT and COT received support in reviewing their HR Strategy and Plans.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2017/18)

The department will, in line with intergovernmental relations (IGR) mandate to coordinate and collaborate and in line with the GCR imperatives, assist with achieving programmes that fall under the jurisdiction of other Pillars. COGTA has a strategic role to play in implementing the Ten-Pillar and GCR Game Changer Programmes, especially as coordinator of the Governance and Planning Cluster. CoGTA has the responsibility to deliver on the following three Pillars:

Pillar 4: Transformation of the State and Governance

Pillar 2: Decisive Spatial Transformation; and

Pillar 5: Modernisation of the Public Service.

The department also supports Pillar 7: Modernisation of Human Settlements in respect of supporting programme outcomes. These are: Expanding services infrastructure and Access to basic services. The department will also ensure that all municipalities have approved support plans in place for the Human Settlement Mega Projects.

Transformation of the state and governance

The department mainly contributes to this strategic Pillar through the following programme outcomes: Integrated & Participatory GCR Governance Strengthened; and Cooperative Governance Strengthened and Capacity of the State Enhanced. In relation to these outcomes, the department will continue to provide post-merger support to the newly established Rand-West City Local Municipality.

Community Development Workers (CDWs) will continue to support implementation of the Public Participation Framework through advocacy initiatives and the participatory democracy process and in particular the IDP process, ward committees and izimbizos. Service delivery cases will be managed through the War Room, municipalities, provincial and national departments and referred accordingly. In the coming financial year, the department will need to configure the Community Development Workers' Programme to provide it with more capacity, particularly so that, in each ward, engagement with communities is intensified as part of B2B programme.

Improving and sustaining sound financial management will require the department to provide support to the newly merged municipality with hands-on support for the rolling out and cascading of level 3-5 of the Automated Performance Management System. The municipality will also be provided with support in reviewing its medium- to long-term Human Resource Plans and Scarce and Critical Skills Strategies based on the municipalities' IDPs. They will also be supported with the development and design of a functional organisational structure so that they can carry out their service delivery mandates.

To contribute to the Gauteng City-Region, the Department will scrutinise and revitalise the IDP processes to strengthen the departments' participation while training will be provided to municipal officials and councillors to ensure that capacity building is imparted in the development of IDPs. Engagements with sector departments will continue to strengthen and validate the quality of IDPs in representing the needs of its communities. An analysis, which will include a review of the structures and processes of popular participation, will be conducted on the state of IDPs in the province to strengthen participatory governance and expand people's democracy.

As part of the Ntirhisano programme, the department will ensure the full roll-out of the Local Government Management Improvement Model (LGMIM) to municipalities, and full implementation of the B2B approach through its ten point plan; assist municipalities to develop credible, updated and well-maintained Infrastructure Asset registers and to improve their infrastructure development and maintenance; ensure that there is effective GCR-wide Disaster Management capacity and that the provincial Disaster Management Centre will be functional; and provide support for municipal scarce and critical skills, and key systems.

The target for reduction of total government debt collected to municipalities is at 91 per cent for the 2016/17 financial year. The collection rate for the top 500 business debtors is at 80% and it is anticipated that by 2018/19, municipalities will be able to collect at 90% or more.

Modernisation of the public service

The department contributes to the province's e-Governance strategy and has deployed IT technicians to municipalities to support and assist with ICT improvements.

Decisive spatial transformation

In contributing to province-wide infrastructure planning and performance, the department will organise and manage the provincial and municipal infrastructure development and service delivery coordinating structures. The aim of the structures is to facilitate the implementation of infrastructure projects that will influence the spatial planning of the province. The department will also coordinate the allocation of MIG funds to further the implementation of capital projects.

As part of its legislative duty in terms of the Municipal Structures Act No 32 of 2000 (MSA 2000) relating to vertical and horizontal alignment and to ensure the credibility of the IDPs, the department will continue with annual assessments of municipal IDP. In collaboration with sector departments in the province, the department will finalise the review of the Gauteng IDP Analysis Framework to foster integration of the TMR and Sustainable Development Goals (SDGs) in municipal IDPs. This will ensure effective planning and roll-out of development projects identified within the 5 Corridors of Development such as the Sedibeng Regional Sanitation Scheme, Aerotropolis and the Inland Port and Agritropolis.

The Ntirhisano programme offers the department an opportunity to identify community needs and concerns that will start transforming spatial planning in the province. Municipalities will be supported with developing ward level databases so that they can respond better to issues raised by the community. The department will analyse information collected from agencies such as the Auditor-General, Statistics South Africa and GCRO to cross check and authenticate the municipal reports as part of the B2B approach, and will target improvements in at risk municipalities. The department will also oversee and participate in the process of Section 57 appointments and municipalities will be assisted to comply with the MSA regulations to ensure that the correct processes are followed in the appointment of senior managers.

Over the short-to-medium term, the department will pursue strategic objectives which will shape the future of the province. These include Township Economies Revitalisation; Tshepo 500 000; the Community Workers Programme; the Gauteng Energy Plan; Welfare to Work; the Gauteng Safety Strategy; the Human Settlement Strategy and the e-Governance Strategy.

4. REPRIORITISATION

Reprioritised funds will assist with projects including procurement of ICT equipment for building acquired for the Provincial Disaster Management Centre (PDMC). The National Disaster Management Framework prescribes certain minimum infrastructural requirements for such a Centre. The department reprioritised funds within the baseline to cater for security systems/services and cleaning services at the Centre since ownership of the building has been taken over by the department. Included in the security systems to be procured will be cameras, metal detectors and scanners and a properly-equip security guard control room.

Reprioritised of the allocated budget 2017 MTEF period is mainly to support municipal projects such as implementation of Top 100 account data cleansing; province-wide revenue management strategies to deal with municipal debt, top 500 business debtors and top 700 residential debtors, including capacity building projects on project and contract management, technical skills and training for councillors; and the establishment of an interoperable radio communication system and a standardized Rank Insignia system for the Fire and Rescue Services. These requirements include a feasibility studies of the heritage sites of Amandebele Ndzunza Sokhumi and Amandebele Ba Lebelo.

5. PROCUREMENT

In the coming financial year, the department intends to undertake the following projects:

- Support municipalities with implementing the Scare and Critical Skills Strategy particularly in the areas of:
 - Finance and Project Management;
 - Executive Leadership Programme for Officials and Councillors;
- Provide capacity building on technical skills with reference to B2B;
- Provide ICT equipment for the Provincial Disaster Management Centre;
- Implement the public participation strategy for identifying functionality gaps in local municipalities;
- Support municipalities in developing and adopting their Public Participation Frameworks;
- Provide training and development for ward committees in all municipalities;
- Strengthen MPAC oversight within Mogale City and the West Rand District Municipality; and
- Provide training for municipal officials and councillors on IDP, budgets and the PMS.

6. RECEIPTS AND FINANCING

6.1 Summary of receipts

TABLE 7.1: SUMMARY OF RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Equitable share	273 657	338 598	406 972	416 763	514 463	514 463	468 218	466 235	496 588
Conditional grants		2 000		2 000	2 000	2 000	2 000		
Total receipts	273 657	340 598	406 972	418 763	516 463	516 463	470 218	466 235	496 588

The expenditure of the department increased from R274 million in 2013/14 to R341 million in 2014/15 and subsequently to R407 million in 2015/16 which was to fund personnel requirements, provide support to municipalities and a conditional grant in 2014/15 for the expanded public works' programme (EPWP) of R2 million to support job creation in communities. In 2016/17, the department's allocation increased to R516 million in order to support the local government elections. The 2017/18 financial year's budget grows to R470 million and increases to R497 million for the outer year of the MTEF to fund key departmental programmes, namely: Municipal support activities, including operation clean audit initiatives, to update and maintain infrastructure asset registers in line with GRAP17 to identified municipalities, which is ongoing, the renovation of the Provincial Disaster Management Centre building including the procurement of ICT equipment and the provision of security, cleaning, garden service, telephone systems for the call centre and furniture. This budget will also cater for training of ward committees and councillors. The increase over the MTEF will assist the department to continue rolling out the Integrated Development Plan, training to newly elected councillors and officials for an in-depth understanding of how IDP processes unfold, assist in the resolution of top 100 defaulting residential debtors accounts through improving data quality in each municipality, including the development and implementation of cost effective tariff and funding model project, thus improving revenue.

6.2 Departmental receipts

TABLE 7.2: DEPARTMENTAL RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Sales of goods and services other than capital assets	379	317	292	148	148	276	156	165	174
Interest, dividends and rent on land				27	27	27	29	30	32
Transactions in financial assets and liabilities	303	173	66	331	331	1 440	347	367	388
Total departmental receipts	682	490	358	506	506	1 743	532	563	594

The department generated revenue of R682 000 in 2013/14 and R490 000 in 2014/15. The revenue was generated from income on parking fees and tender documents sold. In the 2015/16 financial year, revenue declined to R358 000 (as a result of a decline in projects being advertised, that decrease the sale of tender documents) and increased to R594 000 in the outer year of the MTEF. The main sources of revenue are parking fees from staff members, third party transactions such as commissions, sale of tender documents, and interest from staff debts.

7. PAYMENT SUMMARY

7.1. Key assumptions

The assumptions that underpin the department's 2017 MTEF budget are summarized below. The department will implement a 7.2 percent wage increase for 2017/18, 6.9 percent for 2018/19 and 6.6 percent for the outer year of the MTEF. A 5.8 percent increase in goods and services is anticipated. This is in line with projected consumer price inflation (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classification items for the 2017 MTEF:

- Number of staff, vacancies and possible changes over the MTEF;
- Basic salary costs including improvements in conditions of service adjustment from 1 April of each year;
- Salary increases for officials with occupation-specific dispensations (OSDs);
- Provision for filling vacant posts as a result of the approved structure of the department by DPSA;
- The need to fill CDW vacancies in all wards;
- The procurement of ICT equipment for the new PDMC building and procurement of security, cleaning and garden services, including the telephone system for the call centre in PDMC;
- The renovation of the new PDMC building and procurement of equipment for the temporary lease;
- Provision for the administration and functioning of merging municipalities after the 2016 municipal elections as per proclamation by the Municipal Demarcation Board (MDB); and
- Provision for Operation Clean Audit initiatives in relation to the 2016/17 audit outcomes.

7.2. Programme summary

TABLE 7.3: SUMMARY OF PAYMENTS AND ESTIMATES: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	80 766	82 819	105 531	123 862	123 863	123 862	129 090	137 997	145 581
2. Local Governance	158 629	162 712	206 287	203 090	203 092	203 090	224 108	227 132	239 986
3. Development Planning	27 780	31 418	50 231	80 788	178 986	178 988	105 957	89 692	98 968
4. Traditional Institutional Management	6 023	6 507	6 802	10 414	10 414	10 415	11 064	11 415	12 053
Total payments and estimates	273 198	283 456	368 851	418 155	516 355	516 355	470 218	466 235	496 588

7.3. Summary of economic classification

TABLE 7.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	266 421	274 604	316 519	380 996	417 587	417 587	421 825	426 528	456 797
Compensation of employees	200 300	222 104	247 479	281 298	281 299	281 299	302 359	319 895	341 648
Goods and services	66 121	52 500	69 040	99 698	136 288	136 288	119 466	106 632	115 149
Transfers and subsidies to:	2 485	6 835	50 659	9 053	42 937	42 937	16 766	6 246	4 454
Provinces and municipalities		5 000	48 988	7 000	40 884	40 884	15 136	4 500	3 000
Households	2 485	1 835	1 671	2 053	2 053	2 053	1 630	1 746	1 454
Payments for capital assets	4 263	1 879	1 170	28 105	55 805	55 805	31 627	33 462	35 337
Buildings and other fixed structures				8 000	35 700	35 700			
Machinery and equipment	4 263	1 865	1 170	20 105	20 105	20 105	31 627	33 462	35 337
Software and other intangible assets		14							
Payments for financial assets	29	138	503		26	26			
Total economic classification	273 198	283 456	368 851	418 155	516 355	516 355	470 218	466 235	496 588

The table above reflects departmental expenditure increased from R273 million in 2013/14 to R283 million in 2014/15 and to R369 million in the 2015/16 financial year the expenditure was for the support to municipalities and filling of vacant posts after the approval of organisational structure by the DPSA. An amount of R70 million was received during the 2016 adjustment budget in support for the municipalities with installation of a new water pump station for Emfuleni and electricity services for Rand West LM as part of Ntirhisano programme and a roll-over of R27 million for the purchase of the PDMC

The budget increases by R51 million from R419 million to R470 million between 2016/17 and 2017/18 with a further increase to R466 million in the 2018/19 financial year and to R496 million in the 2019/20 financial year. A proclamation was made in October 2016 to relocate the Land Management function to the Gauteng Department of Infrastructure Development in order to streamline Land Management matters in the province. An amount of R20 million has been allocated for 2017/18 to address the water infrastructure challenges in Khutsong as part of Ntirhisano project. The MTEF increase will fund the following programmes: renovations and operational requirements of the newly acquired PDMC, support municipal activities including operation clean audit initiatives, to maintain infrastructure asset register in line with GRAP 17, to enhance revenue management (business and residential debtors), and to assist the RandWest Municipality with post-merger challenges of salaries disparities and to develop the water demand management strategy. The funds will further assist with filling of vacant CDW positions in each ward as a result of natural attrition; to conduct feasibility studies for traditional heritage sites and to refurbish the building that will be made available to accommodate staff members.

Programme 1: The expenditure in this programme increased from R81 million in 2013/14 to R105 million in 2015/16. This was because of the administrative support provided to the department, filling of vacant posts and ICT requirements. The increase over the MTEF, in comparison to the 2016/17 main appropriation, is mainly due to the refurbishment of the building that will accommodate the department by April 2017, and the procurement of the ICT infrastructure equipment, training of staff and the provision of G-fleet services that will support the department's work, the settlement of legal fees, provision of the telephone system, security and cleaning services for the new building. Over the 2017 MTEF, the budget increases to R129 million in 2017/18 and R146 million in 2019/20.

Programme 2: The programme expenditure is R159 million in 2013/14; R163 million in 2014/15; and R206 million in 2015/16 the expenditure incurred was to support the merger of Westonaria LM and Randfontein LM by facilitating the implementation of the new boundaries. The budget grows from R203 million in 2016/17 to R240 million over the MTEF for support to municipalities. This includes automation and cascade of Performance Management System (PMS), implementation of revenue management strategies to deal with municipal debts, Municipal Rates Property Act (MRPA) and municipalities will be provided with continuous financial support to update and maintain infrastructure asset registers in line with GRAP 17 and the implementation of other critical activities as they arise and to assist the RandWest Municipality with post-merger challenges of disparities in salaries. Included in the budget will be the recourse to train new ward committees and councillors in all aspects of municipal competencies in relation to the recently held local government elections including the resolution of top 100 defaulting residential debtors' accounts through improving data quality integrity collection in all municipalities for revenue enhancement.

Programme 3: A proclamation made in October 2016 to relocate the Land Management function to the Gauteng Department of Infrastructure Development in order to streamline Land Management matters in the province. The programme expenditure was R23 million in 2013/14 and increased to R30 million in 2014/15. It increased to R45 million in 2015/16 the expenditure was for the provision of the installation of internal reticulation infrastructure services in Randfontein LM and further increase of R179 million in 2016/17 as result of additional allocation of R70 million for the disaster relief of floods and installation of new pump station at Emfuleni LM and to address challenges of electricity services in Mohlakeng Ext 5 and 11 as part of the Ntirhisano outreach programme with a further roll over funds amounting to R27 million for the procurement of the PDMC in line with National Disaster Management Framework of 2005.

The allocation decreases to R90 million in 2018/19 and to R98 million in 2019/20. The increase over the 2017 MTEF also relates to the renovation of the procured building including the equipment. Included in this allocation is the compliance to Sections 36 and 50 of the Disaster Management Act in compiling and printing of the annual report on all PDMC activities. Disaster Management awareness campaigns, in collaboration with municipalities, including public education sessions will be conducted to ensure compliance with disaster management legislative requirements on response and relief and the establishment of interoperable radio communication system and standardized Rank Insignia system for Fire & Rescue Services. This budget will also cater for the IDP engagements and education in all communities and the roll out of IDP framework. The budget will enable geysers to be continuously installed in communities within targeted municipalities the department received a conditional grant for expanded public works programme (EPWP) amounting to R2 million to support job creation in communities. For the forthcoming financial year, the programme has been allocated funds to facilitate the implementation of water conservation and water demand management strategy in order to reduce water losses with the implementation of a water and sanitation plan. The increase over the MTEF will assist with provision of training to newly elected councillors and officials and create awareness of IDP processes.

Programme 4: The Traditional Institutional Development budget grows over the 2017 MTEF, mainly to support and enhance the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amendable Ba Lebelo and Amendable Ndunza Sokhumi traditional councils). In addition, the budget will also enable department to conduct feasibility studies for the heritage sites and provision for heritage (commemoration) events for the traditional councils. Training will be provided to traditional council members as part of the transformation of the State and Governance. The Department of Traditional Affairs (DTA) and the Local Government Sector Education and Training Authority (LGSETA) will facilitate a national skills audit of traditional leaders and its councillors. Included in the budget over the MTEF will be administration and functioning of the amalgamated municipalities local government elections outcomes. This budget will also include conclusion of the framework on inter-governmental relations (IGR) within municipalities and traditional leadership structures.

The budget for compensation of employees increases from R281 million in 2016/17 to R302 million in 2017/18, with a further increase to R338 million over the 2017 MTEF. This increase mainly relates to filling critical vacant positions; implementing the Occupational Specific Dispensation (OSDs); Improvement in Condition of Service (ICS) and wage salary agreements; and ensuring the existence of CDWs in each ward and the filling of vacant positions.

The department's goods and services increases from R66 million in 2013/14 to R100 million in 2016/17 in order to cater for departmental operational requirements. It remains constant at R100 million in 2017/18 and increases to R107 million in 2019/20. The allocation will cater for work to be carried out in relation to the PDMC; refurbishment of the building that will accommodate the department; and ICT software licenses and servers for the new building. This increase over the MTEF will assist the department to continue to roll out Operation Clean Audit and to deal with audit issues to be raised by the Auditor-General during the 2015/16 audit outcomes; implement revenue management. This will assist the municipalities to improve finances, strategies and audit outcomes as part of the transformation of the State and Governance. Included in the budget for the coming financial year is the continuous training of ward committees and councillors in all aspects of municipal competences.

The total budget for machinery and equipment is R28 million in 2016/17 and increases to R35 million in the outer years of the MTEF period. The allocation for the coming year is earmarked for the refurbishment of the department's building that will be available in April 2017. The increase over the outer year of the MTEF is due to the procurement of ICT infrastructure equipment and the furniture for the PDMC.

Municipal Services

The department is currently housed by the Department of Infrastructure Development as well as the Department of Human Settlements. However, the department is in the process of acquiring its own building. The provision for property payments will provide for both the acquired building of the PMDC as well as the departmental head offices.

In line with the cost containment implementation, no funds were spent on catering for internal meetings, including meetings with municipalities, and other government departments. The number of hotel sleep overs were materially reduced with the exception of those sleep overs that met the criteria in accordance with the cost containment measure circular. Items such as admin fees, advertising, venues and facilities, consumable stationary and operating payments were also reduced drastically to fund items which support the core business such as property payments, which will fund the rates and taxes for the acquired building and the PDMC.

7.4 Infrastructure payments

N/A

7.4.1 Departmental infrastructure payments

N/A

7.4.2 Maintenance

N/A

7.4.3. Departmental Public-private-partnership (PPP) projects

N/A

7.5 Transfers

7.5.1. Transfers to public entities

N/A

7.5.2. Transfers to other entities

N/A

7.5.3. Transfers to local government

TABLE 7.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Category B		5 000	48 988	7 000	40 884	40 884	14 136	4 500	3 000
Emfuleni		1 500	13 588	1 000	18 384	18 384	1 500	1 500	500
Lesedi		500	1 500	1 500	1 500	1 500	1 000	500	500
Midvaal									500
Merafong City		500	5 400	500	1 000	1 000	1 000	500	500
Rand West		2 000	28 500	4 000	20 000	20 000	10 636	2 000	1 000
West Rand							1 000		
Total transfers to municipalities		5 000	48 988	7 000	40 884	40 884	15 136	4 500	3 000

The department transferred a total of R5 million during the 2014/15 financial year for support to municipal GRAP 17, PMS and EPWP projects. The department further transferred R49 million during the 2016/17 financial year to municipalities to support projects that were identified during the visit by the department: water infrastructure maintenance projects, a storm water and waste collection project for Emfuleni Local Municipality and a water loss and demand management project for Merafong Local Municipality and to support the merger of Randfontein and Westonaria local municipalities. The

department has received R8.6 million for 2017/18 to address Rand West municipality's post-merger challenges of salary disparities and a further R2 million for the Expanded Public Works Programme (EPWP) grant for job creation which aims to reduce poverty within communities. R2, 5 million was allocated in support of GRAP 17 and R2, 2 million was allocated for PMS project. During the 2017 MTEF period, the department will continue to transfer funds to support municipalities with GRAP 17 and PMS projects.

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

The main goal of this programme is to strengthen and align the department's organisational capacity and capability to deliver on its mandate. It enables the department's business units to perform efficiently by providing corporate support (HR, financial management, SCM, ICT, risk management and facilities management). The programme ensures effective and efficient leadership, management and administrative support to the core business of the department by refining organisational strategy and structure in compliance with appropriate legislation and practice. The programme's outputs reflect Pillar 5 (modernisation of the public service which seeks to achieve an efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenry).

Programme objectives are to:

- Ensure that HRM is a strategic partner with all units in the department
- Provide effective legal services to the department
- Provide efficient and effective facilities management to the department
- Provide efficient, effective and stable ICT infrastructure and support to the department
- Ensure prudent financial management, and efficient and effective SCM and systems to ensure that financial planning and budgeting are aligned with the department's Strategic Plan
- Maintain effective, efficient and transparent risk management and financial systems and controls to safeguard departmental assets
- Ensure good governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility within departmental operations.

Key policies, priorities and outputs

- Develop policies, provide strategic direction and monitor and evaluate the department's programmes, support services and operations;
- Render strategic and focused HRM support to ensure effective execution of the department's functions and strategy;
- Render effective and economic financial management services to the department; ensure the alignment of strategy and budget; manage expenditure, reporting, and the supply chain;
- Render corporate services within the department and ensure the efficient execution of the department's functions and strategy (structure; resources: budget, physical and human; systems);
- Manage the risk strategy of the department;
- Anti-corruption enforcement;
- Building capacity and capability to professionalise the department;
- Monitor and support legislative compliance;
- Facilitate access to information;
- Provide sound legal advice and support to the department; and
- Provide gender mainstreaming activities and women counsellors training and summit with skills development.

TABLE 7.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Office Of The MEC	2 816	3 563	3 839	4 629	3 829	3 829	4 992	5 281	5 578
2. Corporate Services	77 950	79 256	101 692	119 233	120 034	120 033	124 098	132 716	140 003
Total payments and estimates	80 766	82 819	105 531	123 862	123 863	123 862	129 090	137 997	145 581

TABLE 7.7: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	73 989	78 967	102 187	117 704	117 679	117 678	121 889	130 357	137 903
Compensation of employees	46 211	53 277	71 754	79 842	79 842	79 842	83 442	88 280	93 860
Goods and services	27 778	25 690	30 433	37 862	37 837	37 836	38 447	42 077	44 043
Interest and rent on land									
Transfers and subsidies to:	2 485	1 835	1 671	2 053	2 053	2 053	1 630	1 746	1 454
Provinces and municipalities									
Non-profit institutions									
Households	2 485	1 835	1 671	2 053	2 053	2 053	1 630	1 746	1 454
Payments for capital assets	4 263	1 879	1 170	4 105	4 105	4 105	5 571	5 894	6 224
Buildings and other fixed structures									
Machinery and equipment	4 263	1 865	1 170	4 105	4 105	4 105	5 571	5 894	6 224
Heritage Assets									
Software and other intangible assets		14							
Payments for financial assets	29	138	503		26	26			
Total economic classification	80 766	82 819	105 531	123 862	123 863	123 862	129 090	137 997	145 581

The programme's expenditure increased from R81 million to R105 million between 2013/14 and 2015/16. The programme's budget for 2016/17 amounted to R124 million. This amount caters for the envisaged procurement of ICT infrastructure, software licenses, refurbishment of the new building and marketing for the MEC's outreach programmes to municipalities. The budget allocation for 2017/18 amounts to R129 million which increases to R146 million over the MTEF period.

The increase in the budget of the MEC will enable the office to carry out its functions and activities. The expenditure increased from R3.6 million in 2014/15 to R3.8 million in 2015/16. The increase funded the MEC's municipal election programmes. The budget remains relatively constant at R6 million over the 2017 MTEF.

The sub-programme Corporate Services expenditure increased from R77 million to R102 million between 2013/14 and 2015/16. The increase was for the funding of recruitment processes and operational requirements in supporting core functions of the department. The allocation for 2016/17 is R120 million and it increases to R140 million in 2019/20. The increase in the allocation is to fund the refurbishment and maintenance of the department's building, ICT infrastructure, communication, software licenses and marketing of the MEC's events.

Expenditure on compensation of employees has increased from R72 million in 2015/16 to an estimated R94 million in the 2019/20 financial year. These increases are to cater for improvements in the conditions of service and funding of departmental capacity in line with the approved organisational structure.

The allocation for goods and services increases from R30 million in 2015/16 to R38 million in 2016/17. The allocation increases over the MTEF in line with the increase in the department's operational budget. The budget will cater for the procurement of ICT infrastructure, software licenses, refurbishment of the new envisaged building and marketing for the MEC's outreach programmes.

Expenditure on households remain relatively at R2 million for the respective years of the MTEF. The allocation over the MTEF is attributed to the beneficiaries who are still in the system with pension administration at the National Treasury. Allocations remain constant as result of beneficiaries passing on and others reaching pensionable age resulting in their transfer to the Department of Social Development for old age pensions.

Machinery and equipment increases marginally because of the refurbishment of the building that will accommodate the department from April 2017. This will also include the supply of the professional equipment which relates to the provision of capital assets for the appointment of new staff members.

PROGRAMME 2: LOCAL GOVERNANCE

Programme description

The Local Governance Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as by building the capacity and capability of local government to achieve its constitutional mandate. The goal of the programme is to promote and facilitate viable and sustainable local governance in line with Pillar 4: Transformation of State and Governance.

The objectives of this programme are to:

- Provide management and support services to local government within the regulatory framework;
- Monitor and support municipalities to ensure financially viable and sustainable municipalities in accordance with applicable Acts;
- Deepen democracy by promoting community participation through appropriate structures, processes and systems, and by facilitating access to government services;
- Co-ordinate, cooperate and integrate support and monitor capacity building initiatives;
- Improve municipal performance through enhanced monitoring, reporting and evaluation;
- Improve the image of local government;
- Implement a differentiated approach to local government in the province;
- Monitor and support legislative compliance;
- Establish and support viable and accountable governance structures;
- Promote intergovernmental and stakeholder relations, and improved integration and planning;
- Facilitate the devolution of powers and functions to ensure stable local government;
- Improve public participation;
- Implement an appropriate finance model for local government to promote sustainability and viability;
- Enforce anti-corruption measures in municipalities;
- Provide urban management and built environment planning;
- Build capacity and capability towards improving professionalism in local government;
- Develop policy towards differentiated approaches and social inclusivity;
- Enhance participatory governance through CDW programmes; and
- Facilitate access to basic services for poor communities.

TABLE 7.8: SUMMARY OF PAYMENT AND ESTIMATES: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Municipal Administration	10 519	11 576	27 104	14 366	14 364	14 364	14 123	14 069	15 857
2. Municipal Finance	10 726	8 849	10 876	11 603	10 654	10 652	11 755	12 437	11 493
3. Public Participation	116 017	121 176	130 964	145 931	145 233	145 233	155 892	164 636	174 853
4. Capacity Development	11 252	10 064	26 452	16 708	18 358	18 358	26 759	19 174	20 024
5. Municipal Performance Monitoring, Reporting And Evaluation	10 115	11 047	10 891	14 482	14 482	14 483	15 580	16 816	17 759
Total payments and estimates	158 629	162 712	206 287	203 090	203 092	203 090	224 108	227 132	239 986

TABLE 7.9: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	158 629	158 712	168 299	198 090	194 707	194 706	210 971	222 631	236 985
Compensation of employees	130 844	137 693	143 203	165 946	165 946	165 947	178 092	187 882	200 405
Goods and services	27 785	21 019	25 096	32 143	28 761	28 759	32 879	34 749	36 580
Interest and rent on land									
Transfers and subsidies to:		4 000	37 988	5 000	8 384	8 384	13 136	4 500	3 000
Provinces and municipalities		4 000	37 988	5 000	8 384	8 384	13 136	4 500	3 000
Departmental agencies and accounts									
Households									
Payments for capital assets							1		1

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Buildings and other fixed structures									
Machinery and equipment								1	1
Payments for financial assets									
Total economic classification	158 629	162 712	206 287	203 090	203 092	203 090	224 108	227 132	239 986

The programme's expenditure increased from R159 million to R203 million between the 2013/14 and 2016/17 financial years. The increase was for support provided to municipalities and to assist with the merger of Westonaria and Randfontein local municipalities with the systems and plans developed to enable the seamless transition to a new municipality. It was also for deployment of CDWs. The increase from R224 million in 2017/18 to R240 million in 2019/20 will support the transfer of funds to Rand West Municipality to assist with challenges of salary disparities. Included in the MTEF increase is funding to support municipalities in relation to achieving clean audits, training of new ward committees and councillors in all aspects of municipal competencies, deployment of CDWs to each ward, conducting of research, implementation of revenue management strategies to deal with municipal debts that have been escalating drastically in line with the Municipal Rates Property Act (MRPA) and other critical activities. The department will continue to support the municipalities with institutionalising of performance management systems, including capacity building interventions in respect of financial management, project management, contract management, technical skills and governance. The department will further assist with implementation and institutionalising of the Scarce and Critical Skills Strategy, focusing on financial management, infrastructure and oversight (S79, inclusive of MPACs). The department will also support the merged municipalities with the development and design of a functional organisational structure on macro and micro concept including the resolution of top 100 defaulting residential debtors accounts through improving data quality and integrity collection in all municipalities for revenue enhancement and debtor management.

Sub-programme: Municipal Administration: the budget increases from R11 million in 2013/14 to R27 million in 2015/16. The increase is due to the reprioritisation of funds to cater for the water sanitation project in Emfuleni Local Municipality. The allocation remains constant over the MTEF period and is for conducting research studies, to address powers and functions on inter-governmental relations and the development of the oversight and accountability model. The increased allocation is also to address the amalgamation of various municipalities, including coordinating and facilitating local government knowledge management; sharing and promoting effective and efficient evidence-based decision making on policy development; gender mainstreaming, with women councillors' training and skills development and the roll-out of the gender policy framework; development of disability management strategies.

Sub-programme: Municipal Finance Support: this sub-programme has a budget of R12 million in 2016/17 and it remains at R12 million over the 2017 MTEF period. The budget caters for continuous initiatives which include interventions on asset management, resolutions on Auditor-General outcomes, tariff modelling, Top 100 account data cleansing, and implementation of revenue management to deal with municipal debts that have been escalating drastically particularly the top 500 business debtors and top 700 residential debtors, including the implementation of the tariff model. GRAP 17 requirements for the following municipalities are also supported: Rand West City, Merafong, Lesedi and Emfuleni, training and research on policies, guidelines and legislation necessary for revenue enhancement. Included in the allocation is the implementation of smart metering reading within municipalities as part of the transformation of the state and governance. The department will support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local government institutions, including municipalities to be monitored on the basis of the Audit Response Plan based on the 2015/16 audit outcomes.

Sub-programme: Public participation has an allocation that grows from R146 million in 2016/17 to R156 million in 2017/18, an increase of 18 per cent. There is a further increase to R175 million over the 2017 MTEF to provide for setting up ward committees in all municipalities. The allocation will fund the skills development and training of ward committees in municipalities which will improve their level of engagement in planning processes, and foster civic responsibility in planning and development. Part of the training will cover conflict management in order to empower ward committees to facilitate good community relations amongst ward stakeholders and to mitigate conflicts of interest within community groups over development issues. It is intended that relations will be continuously improved between ward committees and CDWs in order to foster coordination of activities and strengthen service delivery in communities. The CDW programme will continue to play a supporting role in the implementation of the framework by assisting with coordination between the spheres of government and monitoring service delivery points, including promoting and improving public trust in local government through active and deliberative citizen engagement, the creation of robust engagement spaces and innovative communication platforms in line with Pillar 5: Modernisation of the Public Service. The department has set aside funds within the allocated budget for training of new councillors and ward committees in partnership with SALGA in line with new municipalities and councillors.

Capacity Development: The budget increased from R11 million in 2013/14 to R26 million in 2015/16 which supported the merger of RandWest Municipality with systems and plans to enable the seamless transition to a new municipality. Also supported was the deployment of engineers from SAICE and chartered accountants from SAICA. The allocation increases to R27 million in 2017/18 due to the allocation of earmarked funds amounting to R8.6 million to assist the RandWest Municipality with post-merger salary disparities. The 2017 MTEF allocation remains constant at R20 million. This sub-programme will continue to provide hands-on support in improving service delivery within identified municipalities in line with the modernisation of the public service and strengthening of good governance. The allocation will also facilitate the development of specialised and technical skills to transform local government, including implementation of capacity building interventions to be conducted in municipalities in respect of financial management, project and contract management, technical skills and governance. The department will support the merged municipalities with the Development and Design of a Functional Organisational Structure on Macro and Micro Functional structure the sub-programme will facilitate the necessary financial and technical support to the newly created Rand West City municipality to automate and cascade the Performance Management System (PMS). Six capacity building interventions will be conducted in eleven municipalities focusing on finance, project and contract management, executive leadership, technical skills and training for councillors.

Municipal Performance Monitoring: The budget amounted to R14 million in 2016/17 and R16 million in 2017/18. Over the 2017 MTEF, the allocation increases to R18 million mainly due to inflationary adjustments. The allocation is mainly to implement the Municipal Property Rates Act (MPRA), ensure functional audit committees and internal audit units, and ensure active performance by the Valuation Appeals Boards (VABs) in all municipalities. This allocation includes the assessment of the determination of upper remuneration limits of municipal councillors in terms of Remuneration of Public Office Bearers (POBA). This allocation will also include support of the assessment report on the state of municipal performance.

Compensation of employee's expenditure has been fluctuating over the years. It increased from R138 million in 2014/15 to R143 million in 2015/16. There is a further increase to R166 million in 2016/17. The allocation over the MTEF further increases to R200 million. The increase will fund the deployment of CDWs and the filling of new positions as per the approved organisational structure.

Goods and services increased from R21 million in the 2014/15 financial year to R25 million in the 2015/16 financial year. It increases to R32 million in the 2016/17 financial year, due to reprioritisation of functions from the programme two to programmes one to align the functions within programmes. Allocations remain constant at R36 million over the MTEF. These sums will fund ward councillor training and research and will also assist development of a municipal recruitment and retention strategy, the human resources framework, meeting the continuing OPCA initiatives, and catering for municipal capacity building. They will also fund critical and scarce skills training, including the deployment of technical expertise in targeted municipalities in line with transformation of state and governance. The allocation will assist to implement the Municipal Property Rates Act (MPRA) in all municipalities and the assessment of determination of upper limits of remuneration of municipal councillors in terms of the POBA. Municipalities will be supported with implementation and institutionalising of the Scarce and Critical Skills Strategy focusing on financial management and infrastructure and oversight (S79, inclusive of MPACs). The funds will also support the merged municipalities with the Development and Design of a Functional Organisational Structure on Macro and Micro Functional structure and implementation of province-wide revenue management strategies to deal with municipal debts that have been escalating drastically particularly the top 500 business debtors and top 700 residential debtors. This will include the implementation of the tariff model.

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SERVICE DELIVERY MEASURES

PROGRAMME 2: LOCAL GOVERNANCE

Performance measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Number of reports produced on the extent to which municipalities comply with the implementation of anti-corruption measures	4	4	4
Number of reports on fraud, corruption and maladministration cases reported and investigated	4	4	4
Number of research reports produced on key local policy issues identified during the relevant financial year(s)	6	6	6
Sub-Programme: Municipal Finance			
Number of municipalities provided with hands-on support to maintain their infrastructure asset registers in line with GRAP 17 requirements	4	5	6
Number of municipalities monitored on the implementation of the Audit Response Plan based on the 2016/17 audit outcomes	11	11	11

Performance measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
% collection of outstanding current debtors and percentage collection of arrears government debt	90	90	90
Number of Top 500 Business Debtors resolved for Gauteng municipalities	3500	3500	3500
Sub-Programme Public Participation			
Number of advocacy initiatives undertaken to support participatory democracy	12	12	12
Number of ward committees in Gauteng adhering to national functionality criteria	Elections	New ward committees	New ward committees
Number of municipalities in which ward committees are trained	Induction of all new ward councillors	New capacity building programme for councillors and ward committees.	Implementation of new capacity building programme
Number of programmes supported through community mobilisation	12	12	12
Sub-programme Capacity Development			
Number of municipalities supported to institutionalise Performance Management System	1	1 newly merged municipality	1 newly merged municipality
Number of capacity building interventions conducted in municipalities	300 participants trained in 6 capacity interventions	300 participants trained in 6 capacity interventions	300 participants trained in 6 capacity interventions
Number of municipalities supported with implementing and institutionalising the Scarce and Critical Skills Strategy	11	11	11
Sub-programme Municipal performance monitoring, reporting and evaluation			
Number of monitoring reports on municipal compliance in terms of the Municipal Finance Management Act	3	3	3
Number of monitoring reports on conditional grants expenditure and municipal unauthorised, irregular, fruitless and wasteful expenditure reported	4	4	4
Number of monitoring reports on compliance with Municipal Property Rates Act (MPRA)	9	9	9
Number of municipalities complying with Annual National Gazette on the determination of upper limits for municipal councillors in terms of Remuneration of Public Office Bearers Act (POBA)	11	11	11
Number of reports on the implementation of the MSA Regulations on total remuneration packages payable to municipal managers and managers directly accountable to municipal managers	4	4	4

PROGRAMME 3: DEVELOPMENT AND PLANNING

Programme description

The purpose of the programme is to coordinate, facilitate and promote integrated development and planning in municipalities to ensure that services are delivered in an integrated and sustainable manner in line with transformation of the state and governance.

Programme objectives

- It facilitates and coordinates processes to ensure that municipal IDPs are credible, implementable and aligned with national and provincial outcomes, plans and strategies;
- It ensures strategic management of provincial land for economic and social purposes;
- It ensures accelerated delivery of municipal basic services and infrastructure delivery to meet national targets;
- It provides coordination and support for implementation of the National Disaster Management Act, the Fire Brigade Services Act and the Disaster Management Framework to ensure effective management of disasters at national, provincial and local level;
- It facilitates integrated urban management and planning;
- It improves integration and planning;
- It increases community-based planning; and
- It facilitates access to basic services for poor communities.

TABLE 7.10: SUMMARY OF PAYMENTS AND ESTIMATES: DEVELOPMENT AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Land Use Management	4 308	1 663	4 755						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
2. Idp Coordination	3 387	4 925	3 978	6 001	6 001	6 000	6 431	6 804	7 470
3. Disaster Management	12 363	13 817	21 669	58 262	105 960	105 962	62 925	67 406	73 503
4. Municipal Infrastructure	7 722	11 013	19 829	16 526	67 026	67 026	36 600	15 482	17 995
Total payments and estimates	27 780	31 418	50 231	80 788	178 986	178 988	105 957	89 692	98 968

TABLE 7.11: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	27 780	30 418	39 231	54 789	94 786	94 788	77 901	62 125	69 856
Compensation of employees	19 355	26 249	28 007	30 315	30 315	30 315	34 060	36 866	40 131
Goods and services	8 425	4 169	11 224	24 474	64 471	64 473	43 841	25 259	29 725
Interest and rent on land									
Transfers and subsidies to:		1 000	11 000	2 000	32 500	32 500	2 000		
Provinces and municipalities		1 000	11 000	2 000	32 500	32 500	2 000		
Departmental agencies and accounts									
Households									
Payments for capital assets				24 000	51 700	51 700	26 056	27 567	29 112
Buildings and other fixed structures				8 000	35 700	35 700			
Machinery and equipment				16 000	16 000	16 000	26 056	27 567	29 112
Software and other intangible assets									
Payments for financial assets									
Total economic classification	27 780	31 418	50 231	80 788	178 986	178 988	105 957	89 692	98 968

Expenditure increased from R28 million in the 2013/14 financial year to R179 million in the 2016/17 financial year. This included additional funding of R50 million to support municipalities with service delivery challenges relating to water infrastructure and electricity services for Emfuleni LM and RandWest LM. There was a roll-over of 27 million for procurement of the PDMC building and R20 million for disaster relief funding relating to floods in the province. The programme's allocation decreases to R99 million over the MTEF period to cater for renovation of and operational material for the procured PDMC building in line with the transformation of state and governance, IDP coordination within municipalities including the installation of geysers for communities in targeted municipalities. The programme's allocation for the coming year 2017/18 will facilitate implementation of the water conservation and water demand management strategy to reduce water losses through the implementation of the water and sanitation plan. Included in this allocation is provision for compliance with Sections 36 and 50 of the Disaster Management Act that compels the compiling, printing and submission of the annual report on all PDMC activities. Disaster Management awareness campaigns will be implemented in collaboration with municipalities and will include public education sessions while ensuring that the Centre complies with disaster management legislative requirements. The budget will also cater for the appointment of new employees in line with the newly approved structure of the department, as this represents the core function.

Land Management sub-programme: A proclamation was made in October 2016 to relocate the Land Management function to the Gauteng Department of Infrastructure Development in order to streamline land management matters in the province. This is due to the on-going transfer of properties to beneficiaries and the vesting of properties in the province.

Integrated Development Planning sub-programme: The allocation increases from R6 million in 2016/17 to R7 million in the outer year of the 2017 MTEF. The allocation will be used for IDP education and training, the roll out of the IDP framework, inter-governmental IDP engagements and municipal analysis and the MEC's commenting process to be conducted by the department in various municipalities. The slight additional funding request for this sub-programme is aimed at ensuring the successful implementation of the inter-governmental planning roadmap to ensure the alignment of IDPs with the NDP and the Gauteng 2055 vision, in line with transformation of state and governance. This budget will also provide for IDP engagements and education in all communities, including the continuous roll out of the IDP framework.

Disaster Management sub-programme: The budget increased from R58 million to R106 million in 2016/17 of which R27 million was a roll-over for procurement of the PDMC and R20 million to deal with the effects of floods in the province. There is an increase in the 2017 MTEF of R72 million as a result of the newly acquired PDMC. This will be renovated and provided with call centre equipment, office furniture and ICT infrastructure. An interoperable radio communication system will be established, and a standardized Rank Insignia system for the Fire & Rescue Services liaising with municipalities on disaster issues as part of Pillar 4: Transformation of state and governance. This allocation provides for compliance with Sections 36 and 50 of the Disaster Management Act which requires an annual report on the PDMC's activities to be compiled, printed and submitted. The allocation also provides for Disaster Management awareness campaigns in collaboration with municipalities, including public education sessions. These requirements include the central communication centre, a disaster operation centre and integrated information management and communication systems. The allocation also provides for leasing disaster vehicles from G-Fleet and a Rescue and Fire awareness campaign in line with Section 30 (J) of the Fire and Rescue Act of 2002 (Act 57 of 2002) and for the development and completion of disaster management plans in all organs of state in line and terms of Section 25, 38 and 53 of the Act.

Municipal Infrastructure sub-programme: The budget increased from R8 million in 2013/14 to R20 million in 2015/16 due to the reprioritisation of funds to cater for a water infrastructure development project in Mohlakeng LM. In 2016/17 during the adjustment budget, an additional R50 million was received to cater for water infrastructure and electricity services for Emfuleni LM and RandWest LM. The sub-programme receives an earmarked funding of R20 million for the 2017/18 financial year to address water infrastructure challenges in Merafong LM (Khutsong) identified during the departmental visit to the area, as part of the Ntirhisano programme. The sub-programme is allocated R19 million in 2019/20 to develop a water demand management strategy that will assist with the reduction of water losses with the implementation of the water and sanitation plan. Including in the said allocation is the access for indigent households to basic electricity services; implementation of the EPWP as part job creation efforts to reduce poverty; the roll-out of the Integrated Development Plan; and training for newly elected councillors and officials to create awareness of IDP processes.

Compensation of employees: Expenditure increased from R28 million in 2015/16 to R30 million in 2016/17, and increases to R39 million over the MTEF as a result of expected filling of OSD positions within the unit. Over the 2017 MTEF, the increases are to pay for cost of living increases in the wage agreements. They will also cater for the appointment of engineers and capacitate the new PDMC to function effectively.

Goods and Services: The allocation increased from R11 million in 2015/16 to R25 million in 2016/17, and increases further to R27 million over the 2017 MTEF. The increase is due to the gradual establishment of the new PDMC to ensure compliance with Sections 36 and 50 of the Disaster Management Act and legislative requirements on response and relief, awareness campaigns and printing of the PDMC annual report. The allocation will also cater for the review and integration of municipal IDPs and implementation of water conservation management in municipalities.

Payments for capital assets: The allocation increases from R24 million in 2016/17 financial year to R26 million in 2017/18 and provides for the renovation of the newly acquired PDMC including furniture and equipment. The allocation for the outer year of the MTEF amounts to R29 million and will be used for maintenance of equipment for the Centre.

SERVICE DELIVERY MEASURES

PROGRAMME 3: DEVELOPMENT AND PLANNING

Performance measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Number of municipalities with legally compliant IDPs	11	11	11
Participants receiving training on IDP.	60	50	50
Number of municipalities assessed against service delivery benchmarks	9	9	9
Number of functional coordinating structures for infrastructure development and service delivery.	2	2	2
Number of municipalities implementing the Gauteng water and sanitation management plan.	10	10	10
Number of municipalities supported with service delivery programmes.	7	7	7
Number of municipalities supported to implement indigent policies (Sub-outcome 1, Action 6).	10	10	10
% of indigent Households with improved access to basic electricity services.	60%	60%	60%
% of indigent households with access to basic electricity services	93%	94%	94%
Number of functional municipal disaster management centres	5	5	5

PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

Programme description

The programme promotes and facilitates viable and sustainable traditional institutions by enhancing the capacity of traditional leadership and local governance institutions in line with Pillar 4: Transformation of the State and Governance.

The key performance areas are:

- Traditional institutional administration;
- Traditional resource administration;
- Rural development facilitation;
- Traditional land administration; and
- Facilitating the devolution of powers and functions to ensure stable local government and traditional leadership.

TABLE 7.12: SUMMARY OF PAYMENTS AND ESTIMATES: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Traditional Institution Administration	5 061	3 888	4 393	4 851	4 850	4 754	6 848	7 245	7 650
2. Traditional Resource Administration	436	1 059	662	4 206	3 756	3 756	1 660	1 579	1 667
3. Rural Development Facilitation	72		400	410	410	411	552	555	586
4. Traditional Land Administration	454	1 560	1 347	947	1 397	1 494	2 004	2 036	2 150
Total payments and estimates	6 023	6 507	6 802	10 414	10 414	10 415	11 064	11 415	12 053

TABLE 7.13: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	6 023	6 507	6 802	10 414	10 414	10 415	11 064	11 415	12 053
Compensation of employees	3 890	4 885	4 515	5 195	5 195	5 195	6 766	6 867	7 252
Goods and services	2 133	1 622	2 287	5 219	5 219	5 220	4 298	4 547	4 801
Interest and rent on land									
Transfers and subsidies to:									
Payments for capital assets									
Payments for financial assets									
Total economic classification	6 023	6 507	6 802	10 414	10 414	10 415	11 064	11 415	12 053

The expenditure of the programme was R6 million in 2013/14, R7 million in 2014/15 and 2015/16 for training traditional councils and for peaceful cultural festivals and commemoration events. The allocation for 2016/17 increased to R10 million and increases to R12 million over the 2017 MTEF period. This increase is attributed to the reprioritization of functions for intergovernmental relations and governance from Programme 2 to Programme 4 in order to align the functions with the programme as per the approved structure. It will not affect the performance of the programme. The increase is also influenced by the expected national Traditional Bill still to be passed by Parliament which recognises Khoisan leaders as traditional leaders. The increase is for statutory payments to tribal authorities by the department to assist them to function effectively, meet their mandates to the communities and enable the department to finance Kings' commemorations. The allocated budget will also meet the obligations and needs of the tribal authorities, intergovernmental relations and filling vacant positions where necessary to foster intergovernmental relations (IGR). This will also assist the department to support the institution of traditional leadership with skills development and finance.

Traditional Institutional Administration remained constant at R4 million between the 2014/15 and 2015/16, but increases to R5 million in 2016/17 and to R8 million in 2019/20. This allocation is attributed to the increase in expenses for traditional leadership, including remuneration of traditional leaders and filling of critical vacancies within the directorate. In this allocation, the department will ensure that Traditional Leaders and Traditional Councils are provided and are fully equipped with offices and the institution will be supported to participate in the business and programmes initiated by the House of Traditional Leadership, the Department of Traditional Affairs, as well as activities and council meetings of the City of Tshwane.

This will also have the support of rural development which forms part of the National Development Plan and articulates the need for capacity development of rural communities through training and enhancing the role of the institution.

Traditional Resource Administration sub-programme expenditure for 2015/16 amounted to R662 000 and remains constant at R2 million over the 2017 MTEF period. The budget over the MTEF will be for administration and functioning of traditional authorities. The budget will also provide for conclusion of the framework on inter-governmental relations (IGR) within municipalities and traditional leadership structures; and for feasibility studies relating to heritage sites, the Amendable Ndzunza Sokhumi commemoration event and Amendable Ba Lebelo heritage celebration. This will include procurement of ablution facilities, décor and catering for the events.

Rural Development Facilitation: in 2015/16, the sub-programme received a substantial increase from previous years as a result of maintenance of new vehicles procured. The increase in allocation over the MTEF caters for the running costs of these vehicles and training of traditional council members.

Traditional Land Administration: The allocation on this sub-programme's budget was R1 million in 2015/16 and increases to R2 million over the 2017 MTEF. The allocation is used mainly for capacity building programmes in traditional leadership and the development of women within tribal communities. The funding will be utilised to continuously integrate the traditional leaders into the mainstream of municipal councils. The allocation to this sub-programme has increased slightly as a result of the increased intake of women.

Compensation of employees' allocation increased to R5 million for the 2015/16 financial year and remains constant at R7 million for the 2017 MTEF. The increase is influenced by new positions as per the approved organisational structure and anticipated wage agreements.

The allocation to goods and services increased from R2 million in 2015/16 to R5 million in 2016/17 due to reprioritisation of functions from Programme 2 to Programme 4. It decreases to R4 million in 2017/18 and 2018/19 and increases to R5 million in 2019/20 mainly for the support and administration of the institutions of traditional leadership.

SERVICE DELIVERY MEASURES

PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Number of reports on the implementation of Presidential Proclamation in terms of the Remuneration of Public Office Bearers Act (POBA)	1	1	1
Number of Traditional Councils complying to legislative prescripts	2	2	2

9. OTHER PROGRAMME INFORMATION

9.1. Personnel numbers and costs

TABLE 7.14 PERSONNEL NUMBERS AND COSTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Personnel numbers	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020
1. Administration	114	114	154	154	154	154	162
2. Local Governance	598	598	472	472	482	512	539
3. Development Planning	61	61	51	51	71	86	90
4. Traditional Institutional Management	10	10	11	11	24	20	21
Direct charges							
Total provincial personnel numbers	783	783	688	688	731	772	812
Total provincial personnel cost (R thousand)	200 300	222 104	247 479	281 299	302 359	319 895	341 648
Unit cost (R thousand)	256	284	360	409	414	414	421

TABLE 7.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

	Actual			Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF					
	2013/14	2014/15	2015/16	Filled posts	Additional posts	2016/17	2017/18	2018/19	2019/20	Personnel growth rate	Costs growth rate	% Costs of Total					
R thousands																	
Salary level																	
1 – 6	551	6 542	551	8 234	442	7 775	442	130 205	478	137 309	482	144 707	509	154 813	4.8%	5.9%	45.6%
7 – 10	159	102 547	159	121 928	152	131 946	152	69 738	158	78 026	196	80 624	206	86 974	10.7%	7.6%	25.2%
11 – 12	50	60 759	50	63 783	47	73 905	49	39 406	49	42 362	49	47 140	51	49 781	1.3%	8.1%	14.5%
13 – 16	23	30 452	23	28 159	27	33 863	28	41 758	29	44 469	28	47 232	28	49 877	6.1%	6.1%	14.7%
Other			17		17		17	192	17	193	17	192	18	203	1.9%	1.9%	0.1%
Total	783	200 300	783	222 104	685	3	688	281 299	731	302 359	772	319 895	812	341 648	5.7%	6.7%	100.0%
Programme																	
1. Administration	114	46 211	114	53 277	151	71 754	154	79 843	154	83 441	154	88 280	162	93 860	1.7%	5.5%	27.8%
2. Local Governance	598	130 844	598	137 693	472	143 203	472	165 946	482	178 092	512	187 882	539	200 405	4.5%	6.5%	58.8%
3. Development Planning	61	19 355	61	26 249	51	28 007	51	30 315	71	34 060	86	36 866	90	40 131	20.8%	9.8%	11.4%
4. Traditional Institutional Management	10	3 890	10	4 885	11	4 515	11	5 195	24	6 766	20	6 867	21	7 252	24.1%	11.8%	2.0%
Direct charges																	
Total	783	200 300	783	222 104	685	3	688	281 299	731	302 359	772	319 895	812	341 648	5.7%	6.7%	100.0%

The DPSA has approved the organisational structure of the Department of Cooperative Governance and Traditional Affairs. The recruitment process to fill vacant positions resumed in the 2016/17 financial year to ensure that core business and support functions were supported appropriately. Personnel numbers of the department may increase as placement of staff is not finalised. The personnel numbers projected over the MTEF are as per full establishment of the organisational structure.

1.2. Training

TABLE 7.16: PAYMENTS ON TRAINING: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Number of staff	783	783	688	688	688	688	731	772	812
Number of personnel trained	120	120	120	120	120	120	126	133	141
<i>of which</i>									
Male	40	40	40	40	40	40	42	44	47
Female	80	80	80	80	80	80	84	89	94
Number of training opportunities	68	68	68	68	68	68	71	76	80
<i>of which</i>									
Tertiary	50	50	50	50	50	50	53	56	59
Workshops	16	16	16	16	16	16	17	18	19
Seminars	2	2	2	2	2	2	2	2	2
Other									
Number of bursaries offered	50	50	50	50	50	50	53	56	59
Number of interns appointed	10	10	10	10	10	10	11	11	12
Number of learnerships appointed									
Number of days spent on training	100	100	100	100	100	100	105	111	117
Payments on training by programme									
1. Administration	1 683	6 461	1 749	7 116	7 116	7 116	3 024	3 199	3 416
2. Local Governance	1 000	1 100	973	1 080	1 080	1 080			
3. Development Planning	2 400	3 160	466	2 660	2 660	2 660			
4. Traditional Institutional Management	600	780		1 080	1 080	1 080			
Total payments on training	5 683	11 501	3 188	11 936	11 936	11 936	3 024	3 199	3 416

The department has allocated 1 per cent of the compensation of personnel budget for training. The department develops an annual workplace skills plan that is informed by staff members' performance plans annually, and also awards bursaries to qualifying employees. This is due to the demand for skilled employees in the department and to ensure that there is continuity in developing employees on the latest trends. The department is funding CDWs' studies to improve their capacity to deliver a good service.

9.3 RECONCILIATION OF STRUCTURAL CHANGES

N/A

**ANNEXURES TO ESTIMATES OF PROVINCIAL
REVENUE AND EXPENDITURE**

TABLE 7.17: SPECIFICATION OF RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets	379	317	292	148	148	276	156	165	174
Sale of goods and services produced by department (excluding capital assets)	379	317	292	148	148	276	156	165	174
Sales by market establishments	379	317	292	148	148	276	156	165	174
Administrative fees									
Other sales									
Transfers received from:									
Fines, penalties and forfeits									
Interest, dividends and rent on land				27	27	27	29	30	32
Interest				27	27	27	29	30	32
Dividends									
Rent on land									
Sales of capital assets									
Transactions in financial assets and liabilities	303	173	66	331	331	1 440	347	367	388
Total departmental receipts	682	490	358	506	506	1 743	532	563	594

TABLE 7.18: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	266 421	274 604	316 519	380 996	417 587	417 587	421 825	426 528	456 797
Compensation of employees	200 300	222 104	247 479	281 298	281 299	281 299	302 359	319 895	341 648
Salaries and wages	200 300	191 480	212 017	242 229	242 229	242 230	259 985	274 776	293 800
Social contributions		30 624	35 462	39 069	39 070	39 069	42 374	45 119	47 848
Goods and services	66 121	52 500	69 040	99 698	136 288	136 288	119 466	106 632	115 149
Administrative fees	268	139	328	212	261	392	180	143	163
Advertising	4 763	2 086	7 343	3 490	12 408	12 827	3 910	3 298	3 508
Minor assets	522	436	278	1 072	870	869	346	369	405
Audit cost: External	399	3 650	2 966	3 473	3 473	2 450	2 950	3 173	3 351
Bursaries: Employees	254	374	264	866	366	366	501	553	585
Catering: Departmental activities	814	1 447	3 839	2 797	2 264	2 445	2 573	2 187	2 310
Communication (G&S)	4 994	8 794	10 419	8 721	9 221	8 999	13 702	13 841	14 125
Computer services	3 522	3 392	661	5 632	5 782	6 535	2 744	4 490	4 741
Consultants and professional services: Business and advisory services	320	386	396	5 175	3 292	3 292	199	208	494
Legal services	100	681	245	533	2 733	2 775	56	73	352
Contractors	466	806	413	1 918	1 618	1 619	1 011	1 240	1 838
Agency and support / outsourced services	24 102	4 309	10 968	16 464	53 061	50 144	51 139	33 490	34 869
Entertainment	145	2	165	21	21	21	43	45	48
Fleet services (including government motor transport)	1 510	1 934	6 069	7 910	7 909	7 910	11 805	13 454	15 104

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<i>Housing</i>									
<i>Inventory: Clothing material and accessories</i>	56					3		2 500	2 640
<i>Inventory: Farming supplies</i>					(1)				
<i>Inventory: Materials and supplies</i>	16	5	22						
<i>Consumable supplies</i>	2 804	2 607	6 175	3 768	4 390	6 404	4 529	5 129	5 045
<i>Consumable: Stationery, printing and office supplies</i>	2 806	2 273	3 393	3 171	3 554	4 024	2 695	2 251	2 421
<i>Operating leases</i>	400	1 211	148	6 841	2 091	1 691	500	655	2 365
<i>Property payments</i>	18	552	1 145	2 547	2 047	2 528	4 209	4 772	5 148
<i>Travel and subsistence</i>	3 717	5 035	5 241	6 337	6 306	6 235	5 376	4 690	4 813
<i>Training and development</i>	7 243	6 427	2 924	11 936	8 029	7 807	5 393	5 425	5 815
<i>Operating payments</i>	173	795	653	705	1 284	1 165	1 151	293	349
<i>Venues and facilities</i>	6 709	5 159	4 985	6 110	5 308	5 787	4 456	4 352	4 660
<i>Rental and hiring</i>									
Interest and rent on land									
Transfers and subsidies	2 485	6 835	50 659	9 053	42 937	42 937	16 766	6 246	4 454
Provinces and municipalities		5 000	48 988	7 000	40 884	40 884	15 136	4 500	3 000
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities		5 000	48 988	7 000	40 884	40 884	15 136	4 500	3 000
Municipalities		5 000	48 988	7 000	40 884	40 884	15 136	4 500	3 000
Municipal agencies and funds									
Households	2 485	1 835	1 671	2 053	2 053	2 053	1 630	1 746	1 454
Social benefits			1 606	30	30	523	30	32	34
Other transfers to households	2 485	1 835	65	2 023	2 023	1 530	1 600	1 714	1 420
Payments for capital assets	4 263	1 879	1 170	28 105	55 805	55 805	31 627	33 462	35 337
Buildings and other fixed structures				8 000	35 700	35 700			
Buildings				8 000	35 700	35 700			
Other fixed structures									
Machinery and equipment	4 263	1 865	1 170	20 105	20 105	20 105	31 627	33 462	35 337
Transport equipment				1 925	1 925	1 925			1
Other machinery and equipment	4 263	1 865	1 170	18 180	18 180	18 180	31 627	33 462	35 336
Land and sub-soil assets									
Software and other intangible assets		14							
Payments for financial assets	29	138	503		26	26			
Total economic classification	273 198	283 456	368 851	418 155	516 355	516 355	470 218	466 235	496 588

TABLE 8.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	73 989	78 967	102 187	117 704	117 679	117 678	121 889	130 357	137 903
Compensation of employees	46 211	53 277	71 754	79 842	79 842	79 842	83 442	88 280	93 860
Salaries and wages	46 211	47 236	63 438	68 976	68 976	68 976	71 760	75 921	80 608
Social contributions		6 041	8 316	10 866	10 866	10 866	11 682	12 359	13 252
Goods and services	27 778	25 690	30 433	37 862	37 837	37 836	38 447	42 077	44 043
Administrative fees	40	39	73	75	74	173	20	12	23
Advertising	1 226	1 712	2 278	1 132	3 832	3 832	2 000	2 031	2 171
Minor assets	502	366	143	527	274	273	242	258	289
Audit cost: External	399	2 198	2 870	3 458	3 458	2 435	2 950	3 173	3 351
Bursaries: Employees	254	374	264	866	366	366	500	553	584

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<i>Catering: Departmental activities</i>	302	607	587	1 034	584	583	748	819	865
<i>Communication (G&S)</i>	1 506	3 998	4 532	2 796	4 496	4 274	6 825	7 073	6 978
<i>Computer services</i>	2 405	3 268	526	4 312	4 462	5 215	1 360	3 026	3 195
<i>Consultants and professional services: Business and advisory services</i>	22	386	396	422	322	322	443	468	494
<i>Legal services</i>	100	681	245	533	2 733	2 775	300	333	352
<i>Contractors</i>	257	802	413	542	242	242	11	40	570
<i>Agency and support / outsourced services</i>	8 908	883	1 354	1 637	1 164	1 180	662	691	831
<i>Entertainment</i>	93		165	21	21	21	43	45	48
<i>Fleet services (including government motor transport)</i>	1 510	1 934	6 069	6 410	5 909	5 910	9 805	11 454	12 992
<i>Inventory: Materials and supplies</i>	16	5	22						
<i>Inventory: Other supplies</i>									
<i>Consumable supplies</i>	2 176	1 999	2 587	3 083	2 210	2 210	3 028	3 515	2 341
<i>Consumable: Stationery, printing and office supplies</i>	2 223	1 654	1 871	1 924	2 124	2 251	1 716	1 217	1 328
<i>Operating leases</i>		1 211	148	841	841	441	500	655	482
<i>Property payments</i>		71	775	959	459	939	1 065	1 069	1 135
<i>Travel and subsistence</i>	410	1 086	1 630	1 446	1 946	1 993	2 030	1 008	925
<i>Training and development</i>	2 419	612	1 477	2 879	879	1 018	3 024	3 162	3 425
<i>Operating payments</i>	1	91	87	390	389	270	95	43	86
<i>Venues and facilities</i>	3 009	1 713	1 921	2 578	1 052	1 110	1 080	1 433	1 578
<i>Rental and hiring</i>									
Transfers and subsidies	2 485	1 835	1 671	2 053	2 053	2 053	1 630	1 746	1 454
Households	2 485	1 835	1 671	2 053	2 053	2 053	1 630	1 746	1 454
Social benefits			1 606	30	30	523	30	32	34
Other transfers to households	2 485	1 835	65	2 023	2 023	1 530	1 600	1 714	1 420
Payments for capital assets	4 263	1 879	1 170	4 105	4 105	4 105	5 571	5 894	6 224
Machinery and equipment	4 263	1 865	1 170	4 105	4 105	4 105	5 571	5 894	6 224
Transport equipment									
Other machinery and equipment	4 263	1 865	1 170	4 105	4 105	4 105	5 571	5 894	6 224
Heritage Assets									
Software and other intangible assets		14							
Payments for financial assets	29	138	503		26	26			
Total economic classification	80 766	82 819	105 531	123 862	123 863	123 862	129 090	137 997	145 581

TABLE 17.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	158 629	158 712	168 299	198 090	194 707	194 706	210 971	222 631	236 985
Compensation of employees	130 844	137 693	143 203	165 946	165 946	165 947	178 092	187 882	200 405
Salaries and wages	130 844	116 948	120 160	142 714	142 714	142 714	153 120	161 128	172 152
Social contributions		20 745	23 043	23 233	23 233	23 233	24 972	26 754	28 253
Goods and services	27 785	21 019	25 096	32 143	28 761	28 759	32 879	34 749	36 580
Administrative fees	176	69	156	49	99	109	120	109	116
Advertising	1 058	102	2 735	994	4 212	4 212	869	901	950
Minor assets	15	31	62	184	184	184	()	(1)	(1)
Audit cost: External		1 452	96	15	15	15			
Bursaries: Employees									1

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
<i>Catering: Departmental activities</i>	87	210	2 129	428	298	298	1 140	933	986
<i>Communication (G&S)</i>	3 488	4 796	5 887	4 725	4 725	4 725	5 877	5 568	5 880
<i>Computer services</i>	547			320	320	320	350	370	391
<i>Consultants and professional services: Business and advisory services</i>	298			2 753	970	970	1		
<i>Contractors</i>	194	4				1			
<i>Agency and support / outsourced services</i>	13 205	2 821	6 890	9 450	7 025	7 026	17 264	21 131	22 201
<i>Entertainment</i>	52	2							
<i>Inventory: Farming supplies</i>									
<i>Consumable supplies</i>	10		19	233	228	228			
<i>Consumable: Stationery, printing and office supplies</i>	535	576	1 414	545	429	771	514	544	575
<i>Travel and subsistence</i>	2 228	3 134	2 146	2 764	1 984	1 935	2 083	2 332	2 461
<i>Training and development</i>	3 479	5 483	981	7 003	5 096	4 735	1 300	910	960
<i>Operating payments</i>	80	568	406	237	687	687	1 000	191	201
<i>Venues and facilities</i>	2 333	1 771	2 175	2 444	2 489	2 543	2 362	1 761	1 859
<i>Rental and hiring</i>									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	4 000	37 988		5 000	8 384	8 384	13 136	4 500	3 000
Provinces and municipalities		4 000	37 988	5 000	8 384	8 384	13 136	4 500	3 000
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities		4 000	37 988	5 000	8 384	8 384	13 136	4 500	3 000
Municipalities		4 000	37 988	5 000	8 384	8 384	13 136	4 500	3 000
Municipal agencies and funds									
Payments for capital assets							1	1	
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment							1	1	
Transport equipment									
Other machinery and equipment							1	1	
Payments for financial assets									
Total economic classification	158 629	162 712	206 287	203 090	203 092	203 090	224 108	227 132	239 986

TABLE 7.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	27 780	30 418	39 231	54 789	94 786	94 788	77 901	62 125	69 856
Compensation of employees	19 355	26 249	28 007	30 315	30 315	30 315	34 060	36 866	40 131
Salaries and wages	19 355	22 965	24 485	26 071	26 071	26 071	29 291	31 821	34 803
Social contributions		3 284	3 522	4 244	4 244	4 244	4 769	5 045	5 328
Goods and services	8 425	4 169	11 224	24 474	64 471	64 473	43 841	25 259	29 725
Administrative fees	30	17	99	49	48	70	39	23	24
Advertising	2 476	272	2 258	1 364	4 364	4 783	998	322	339
Minor assets		30	71	322	372	372	105	112	117
<i>Audit cost: External</i>									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<i>Bursaries: Employees</i>									
<i>Catering: Departmental activities</i>	336	624	1 017	1 185	1 135	1 136	527	268	283
<i>Communication (G&S)</i>				1 200			1 000	1 200	1 267
<i>Computer services</i>	570	124	135	1 000	1 000	1 000	1 034	1 094	1 155
<i>Consultants and professional services: Business and advisory services</i>				2 000	2 000	2 000			
<i>Legal services</i>									
<i>Contractors</i>	15			1 376	1 376	1 376	1 000	1 200	1 268
<i>Agency and support / outsourced services</i>	1 000		1 428	1 848	41 618	38 877	30 570	9 169	9 199
<i>Entertainment</i>									
<i>Housing</i>									
<i>Inventory: Clothing material and accessories</i>	56							2 500	2 640
<i>Inventory: Other supplies</i>									
<i>Consumable supplies</i>	618	587	3 569	451	1 951	3 920	1 499	1 613	2 703
<i>Consumable: Stationery, printing and office supplies</i>		1	102	321	621	622	464	491	519
<i>Operating leases</i>	400			6 000	1 250	1 250			1 883
<i>Property payments</i>	18	481	370	1 588	1 588	1 589	3 144	3 703	4 013
<i>Travel and subsistence</i>	781	681	1 265	1 796	1 976	1 976	1 013	1 027	1 084
<i>Training and development</i>	1 124	254	466	1 706	1 706	1 706	458	484	512
<i>Operating payments</i>	92	136	160	78	208	208	56	59	62
<i>Venues and facilities</i>	909	962	284	688	1 258	1 588	422	516	545
<i>Rental and hiring</i>									
<i>Interest and rent on land</i>									
Transfers and subsidies	1 000	11 000		2 000	32 500	32 500	2 000		
Provinces and municipalities	1 000	11 000		2 000	32 500	32 500	2 000		
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	1 000	11 000		2 000	32 500	32 500	2 000		
Municipalities	1 000	11 000		2 000	32 500	32 500	2 000		
Municipal agencies and funds									
Payments for capital assets				24 000	51 700	51 700	26 056	27 567	29 112
Buildings and other fixed structures				8 000	35 700	35 700			
Buildings				8 000	35 700	35 700			
Other fixed structures									
Machinery and equipment				16 000	16 000	16 000	26 056	27 567	29 112
Transport equipment				1 925	1 925	1 925			1
Other machinery and equipment				14 075	14 075	14 075	26 056	27 567	29 111
Payments for financial assets									
Total economic classification	27 780	31 418	50 231	80 788	178 986	178 988	105 957	89 692	98 968

TABLE 7.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	6 023	6 507	6 802	10 414	10 414	10 415	11 064	11 415	12 053
Compensation of employees	3 890	4 885	4 515	5 195	5 195	5 195	6 766	6 867	7 252
Salaries and wages	3 890	4 331	3 934	4 468	4 468	4 469	5 814	5 906	6 237
Social contributions		554	581	727	727	726	951	961	1 015
Goods and services	2 133	1 622	2 287	5 219	5 219	5 220	4 298	4 547	4 801
Administrative fees	22	14		40	40	40			
Advertising	3		72				42	45	48
Minor assets	5	9	2	40	40	40			
Audit cost: External									
Bursaries: Employees									
Catering: Departmental activities	89	6	106	150	247	428	157	167	176
Communication (G&S)									
Agency and support / outsourced services	989	605	1 296	3 529	3 254	3 061	2 644	2 499	2 638
Entertainment									
Fleet services (including government motor transport)									
Housing									
Inventory: Clothing material and accessories									
Inventory: Other supplies									
Consumable supplies		21		1	1	46	1	1	1
Consumable: Stationery, printing and office supplies	48	42	6	380	380	380			
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	298	134	200	331	400	331	250	324	343
Training and development	221	78		348	348	348	612	869	918
Operating payments									
Venues and facilities	458	713	605	400	509	546	592	642	678
Rental and hiring									
Interest and rent on land									
Transfers and subsidies									
Payments for capital assets									
Payments for financial assets									
Total economic classification	6 023	6 507	6 802	10 414	10 414	10 415	11 064	11 415	12 053