



PROVINCE OF KWAZULU-NATAL

**ESTIMATES
OF
PROVINCIAL REVENUE AND
EXPENDITURE**

2018/19

**for the
financial year ending 31 March 2019**

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FOREWORD

South Africa's economy is not expected to contract over the 2018/19 MTEF, but it is expected to remain muted. Global and local economic risks remain, particularly around projected revenue collection, while our debt service burden remains high. It is against this background that the continued roll-out of the fiscal consolidation programme remains a priority. The 2018/19 MTEF budget seeks to balance the complex factors of achieving the primary deficit target while funding new priorities, growing the economy, as well as protecting the provision of basic services. The fiscal consolidation cuts effected against all three spheres of government over the 2018/19 MTEF are necessary to keep our country's finances on a sustainable path. For provinces, the cuts are effected against both the equitable share and the conditional grant allocations, with National Treasury indicating that they have tried to keep the equitable share cuts to a minimum for provinces. In this regard, a fair portion of the provincial contribution to fiscal consolidation is borne by poor performing conditional grants and infrastructure grants that are generally better positioned to absorb a delay in the implementation of planned projects.

Some of the budget cuts implemented against the province over the MTEF relate to the annual data updates of the equitable share formula, while some cuts relate to National Treasury's fiscal consolidation plan. On the other hand, the Provincial Own Revenue sees a small upward revision when compared to the previous MTEF. Besides the equitable share budget cuts, National Treasury is also adding some funds to the provincial fiscus, namely for priorities in the Social Development sector, as well as funds in the outer year for the above-budget wage agreement.

As a result of these significant budget cuts, the Provincial Executive Council held a Finance *Lekgotla* in February 2018 to decide how these budget cuts should be effected, while trying not to compromise the province's priority spending areas and keeping our eye on protecting the delivery of frontline services. Due to the lateness of the finalisation of these budget cuts, it was agreed that the budget cuts for 2018/19 would be proportionately allocated against all 15 Votes. While the departments were notified of the quantum of the cut immediately after the *Lekgotla*, they only need to effect these budget cuts in the 2018/19 Adjustments Estimate. This was done so that the departments had time to go back and to properly plan where and how they would effect these budget cuts. In the meantime, pending the finalisation of this planning exercise, the budget cuts in the 2018/19 main budget were funded by the Contingency Reserve which is reduced to R174.054 million. The Contingency Reserve was used to offset the budget cuts in the two outer years, and these will thus not be effected against the departments' budgets.

It is my honour to present the 2018/19 *Estimates of Provincial Revenue and Expenditure (EPRE)* which gives details of the provincial fiscal framework to the people of KwaZulu-Natal (KZN) and beyond. These estimates are presented in two parts, the first being aggregates of revenue and expenditure, including the budget strategy adopted and the fiscal framework in general. Part two provides a detailed account of budget allocations per department. These estimates provide an opportunity for the Provincial Legislature and citizens to hold the provincial government departments and public entities accountable for the public funds they spend.



Ms B.F. Scott

MEC: KwaZulu-Natal Provincial Treasury

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LIST OF ABBREVIATIONS

Abbreviation	Full description
AACL	Animal Anti-Cruelty League
ADA	Agri-business Development Agency
AEPRE	Adjustments Estimate of Provincial Revenue and Expenditure
AET	Adult Education and Training
AFS	Annual Financial Statements
A-G	Auditor-General
APP	Annual Performance Plan
ARRUP	African Renaissance Roads Upgrading Programme
ART	Anti-retroviral Therapy
ARV	Anti-retroviral
ASP	Automotive Supplier Park
AWGs	Action Work Groups
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BCM	Business Continuity Management
BEE	Black Economic Empowerment
BPCP	Black Producer Commercialisation Programme
BRICS	Brazil, Russia, India, China and South Africa
BRT	Bus Rapid Transit
CANE	Child Abuse Neglect and Exploitation
CAPS	Curriculum and Assessment Policy Statements
CARA	Conservation of Agricultural Resources Act
CARC	Cluster Audit and Risk Committee
CASP	Comprehensive Agricultural Support Programme
CBD	Central Business District
CBOs	Community-Based Organisations
CCC	Community Care Centre
CCGs	Community Care-Givers
CCMDD	Central Chronic Medicine Dispensing and Distribution
CDW	Community Development Worker
CED	Civil Engineering Designer
CETA	Construction Education Training Authority
CFO	Chief Financial Officer
CHC	Community Health Centre
CIA	Certified Internal Auditors
CiDP	Communities-in-Dialogue Programme
CIPC	Companies and Intellectual Property Commission
CMP	Contract Management Project
CNDC	Community Nutrition and Development Centre
COGTA	Co-operative Governance and Traditional Affairs
CPA	Commonwealth Parliamentary Association
CPF	Community Policing Forum
CPI	Consumer Price Index
CRU	Community Residential Unit
CSC	Community Service Centre
CSD	Central Supplier Database
CSIRD	Centre for Sustainable and Integrated Rural Development
CSIR	Council for Scientific and Industrial Research
CSFs	Community Safety Forums
CWP	Community Work Programme
CYCC	Child and Youth Care Centres
CSFs	Community Safety Forums
DAC	Department of Arts and Culture
DAFF	Department of Agriculture, Forestry and Fisheries
DARD	Department of Agriculture and Rural Development
DBE	Department of Basic Education

List of Abbreviations

Abbreviation	Full description
DBSA	Development Bank of South Africa
DCSL	Department of Community Safety and Liaison
DHA	Department of Home Affairs
DHET	Department of Higher Education and Training
DHIS	District Health Information System
DHS	District Health Services
DOE	Department of Education
DOH	Department of Health
DOHS	Department of Human Settlements
DOPW	Department of Public Works
DORA	Division of Revenue Act
DOSR	Department of Sport and Recreation
DOT	Department of Transport
DPLG	Department of Provincial and Local Government
DPME	Department of Performance, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DREAMS	Determined Resilience Empowered Aids Free Mentored and Safe
DRH	Department of Royal Household
DSD	Department of Social Development
DTI	Department of Trade and Industry
DTPC	Dube TradePort Corporation
DUT	Durban University of Technology
DVA	Domestic Violence Act
EADP	Elite Athlete Development Programme
ECD	Early Childhood Development
ECE	Estimates of Capital Expenditure
EDTEA	Department of Economic Development, Tourism and Traditional Affairs
EEDBS	Extended Enhanced Discount Benefit Scheme
EIAs	Environmental Impact Assessments
EIG	Education Infrastructure grant
EKZNW	Ezemvelo KZN Wildlife
ELRC	Education Labour Relations Council
EMF	Environmental Management Framework
EMIS	Education Management Information System
EMS	Emergency Medical Services
EPHP	Enhanced People's Housing Process
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
eQPRS	Electronic Quarterly Performance Reporting System
ERP	Extension Recovery Plan
ETDP	Education, Training and Development Practices
EU	European Union
FBO	Faith-based Organisation
FET	Further Education and Training
FLA	Financial Literacy Association
FLISP	Finance Linked Individual Subsidy Programme
FLP	Financial Literacy Programme
FMCMM	Financial Management Capability Maturity Model
FMD	Foot and Mouth Disease
FMPAA	Financial Management of Parliament Amendment Act
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act
FPSU	Farmer Production Support Units
FTE	Full-time Equivalent
GDCSC	Gender, Disability, Children and Senior Citizens
GDP	Gross Domestic Product
GEMS	Government Employees Medical Scheme
GEPF	Government Employees Pension Fund
GHS	General Household Survey
GIAMA	Government Immoveable Asset Management Act
GIS	Geographical Information System

Abbreviation	Full description
HCBC	Home Community-Based Care
HDA	Housing Development Agency
HDI	Human Development Index
HOD	Head of Department
HPV	Human Papillomavirus
HR	Human Resources
HRM&D	Human Resource Management and Development
HSDG	Human Settlements Development grant
HTS	Health Technology Services
HR	Human Resources
HRM&D	Human Resource Management and Development
HSDG	Human Settlements Development grant
HWSETA	Health and Welfare Sector Education Training Authority
IA	Implementing Agent
IALCH	Inkosi Albert Luthuli Central Hospital
IASP	Invasive Alien Species Programme
IBTM	Institute of Business Travel Management
ICCA	International Congress and Convention Association
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IDT	Independent Development Trust
IDZ	Industrial Development Zone
IGCC	Inter-Governmental Cash Co-ordination
IGR	Inter-Governmental Relations
IMF	International Monetary Fund
IMP	Infrastructure Master Plan
IPM	Infrastructure Progression Model
IPMP	Infrastructure Programme Management Plan
IPP	Independent Power Producers
IPTN	Integrated Public Transport Networks
IRDP	Integrated Residential Development Programme
IRM	Infrastructure Reporting Model
ISOCARP	International Society of City and Regional Planners
ISU	Informal Settlements Upgrade
IT	Information Technology
IYM	In-Year Monitoring
JME	Joint Medical Establishment
KSIA	King Shaka International Airport
KUMISA	KwaZulu-Natal Music Cluster
KZN	KwaZulu-Natal
KZNCCPA	KwaZulu-Natal Community Crime Prevention Association
KZNFC	KwaZulu-Natal Film Commission
KZNGBB	KwaZulu-Natal Gaming and Betting Board
KZNGFT	KwaZulu-Natal Growth Fund Trust
KZN-IDMS	KZN Infrastructure Delivery Management System
KZNLA	KwaZulu-Natal Liquor Authority
KZNPDPH	KwaZulu-Natal Property Development Holdings
KZNSB	KwaZulu-Natal Sharks Board
LA	Legislature Assembly
L:E	Learner: Educator
LED	Local Economic Development
LexCo	Legislature Executive Committee
LG	Local Government
LGSETA	Local Government Sector Education and Training Authority
LP	Limpopo
LPBL	Living Below the Poverty Line
LPM	Limited Payout Machines
LTSM	Learner Teacher Support Material
LURITS	Learner Unit Record Information and Tracking System

List of Abbreviations

Abbreviation	Full description
MBAT	Municipal Bid Appeals Tribunal
MBRR	Municipal Budget and Reporting Relations
MCOE	Maritime Centre of Excellence
MEC	Member of Executive Council
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure grant
MKI	Moses Kotane Institute
MMC	Male Medical Circumcision
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPAT	Monitoring Performance Assessment Tool
MPRA	Municipal Property Rates Act
MPSD	Mass Participation and Sport Development
MRR	Municipal Rapid Response
MSA	Municipal Structures Act
MSP	Municipal Support Programme
MST	Mathematics, Science and Technology
MTEC	Medium-Term Expenditure Committee
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MuniMEC	Municipalities and Members of the Executive Council
MUT	Mangosuthu University of Technology
NACH	National Anti-Corruption Hotline
NCNC	Non-compensation non-capital
NCOP	National Council of Provinces
NCS	National Curriculum Statement
NDA	National Development Agency
NDAC	National Department of Arts and Culture
NHBRC	National Home Builders Registration Council
NDOH	National Department of Health
NDOHS	National Department of Human Settlements
NDOPW	National Department of Public Works
NDOSR	National Department of Sport and Recreation
NDP	National Development Plan
NEMA	National Environmental Management Act
NEWF	Nature, Environment and Wildlife Filmmakers
NGO	Non-Government Organisation
NHFC	National Housing Finance Corporation
NHI	National Health Insurance
NHLS	National Health Laboratory Service
NPI	Non-Profit Institution
NPOs	Non-Profit Organisations
NSC	National Senior Certificate
NSF	National Skills Fund
NSNP	National School Nutrition Programme
NURCHA	National Urban Reconstruction and Housing Agency
NYDA	National Youth Development Agency
NYSP	National Youth Service Programme
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety
OPRE	Overview of Provincial Revenue and Expenditure
OSCA	Owen Sithole College of Agriculture
OSD	Occupational Specific Dispensation
OSS	Operation Sukuma Sakhe
OTP	Office of the Premier
OVCY	Orphans, Vulnerable Children and Youth
PARMED	Parliamentary Medical Aid
PCF	Premier's Coordinating Forum
PDA	Planning and Development Act

Abbreviation	Full description
PDE	Patient-day Equivalent
PDMC	Provincial Disaster Management Centre
PEIP	Prevention and Early Intervention programme
PEMP	Poverty Eradication Master Plan
PEPFAR	President's Emergency Plan for AIDS Relief
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PHP	Private Hospital Patient
PILIR	Policy on Incapacity Leave and Ill Health Retirement
PIMP	Provincial Infrastructure Master Plan
PMG	Pay Master-General
PMSC	Provincial Medical Supply Centre
PMS	Performance Management System
PMU	Project Management Unit
PPC	Provincial Planning Commission
PPF	Political Parties' Fund
PPN	Post Provisioning Norm
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PPSD	Provincial Pharmaceutical Supply Depot
PRE	Provincial Regulatory Entity
PRMG	Provincial Roads Maintenance grant
PSC	Provincial Steering Committee
PSCBC	Public Service Co-ordinating Bargaining Council
PSETA	Public Sector Education and Training Authority
PT	Provincial Treasury
PTOG	Public Transport Operations grant
QLTC	Quality Learning and Teaching Committees
QPR	Quarterly Performance Report
QSE	Qualifying Small Business Enterprise
RAF	Road Accident Fund
RASET	Radical Agrarian Social Economic Transformation
RBIDZ	Richards Bay Industrial Development Zone
RFID	Radio Frequency Identification
RHT	Royal Household Trust
RLED	Regional and Local Economic Development
RTI	Road Traffic Inspectorate
RTMC	Road Traffic Management Corporation
SA	South Africa
SAAMBR	SA Association for Marine Biological Research
SACCI	South African Chamber of Commerce and Industry
SACPLAN	South African Council of Planners
SALGA	South African Local Government Association
SANParks	South African National Parks
SANRAL	South African National Roads Agency Limited
SANTACO	South African National Taxi Council
SAP	Systems, Applications and Products
SAPI	South African Planning Institute
SAPS	South African Police Service
SARB	South African Reserve Bank
SA-SAMS	South African-Schools Administration Management System
SASSA	South African Social Security Agency
SASRI	South African Sugarcane Research Institute
SBGE	Small Business Growth Enterprise
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SDF	Spatial Development Framework

List of Abbreviations

Abbreviation	Full description
SDFs	State Domestic Facilities
SEAs	Strategic Environmental Assessments
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SEZ	Special Economic Zones
SGB	School Governing Body
SHRA	Social Housing Regulatory Authority
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SIU	Special Investigation Unit
SLA	Service Level Agreement
SLIMS	SITA Library Information Management System
SMME	Small, Medium and Micro Enterprise
SMT	School Management Teams
SOC	State-owned company
SPLUMA	Spatial Planning and Land Use Management Act
SRD	Social Relief of Distress
SSETA	Services Sector Education and Training Authority
STACOV	Standing Committee on Oversight
StatsSA	Statistics South Africa
STEM	Science, Technology, Engineering and Mathematics
TAC	Traditional Administrative Centre
TAF	Technical Assistance Fund
TC	Traditional Council
TDRG	Title Deeds Restoration grant
TETA	Transport Education and Training Authority
THETA	Tourism, Hospitality, Education and Training Authority
TIA	Traffic Impact Assessment
TIK	Trade and Investment KwaZulu-Natal
TKZN	KwaZulu-Natal Tourism Authority
TLTP	Taking Legislature to the People
TVET	Technical and Vocational Education and Training
UAE	United Arab Emirates
UAGYP	Unemployed Agricultural Graduates Youth Programme
UAS	uMgungundlovu Academy of Sport
UISP	Upgrade of Informal Settlements Programme
UKZN	University of KwaZulu-Natal
UNFPA	United Nations Population Fund
UNIZULU	University of Zululand
UPFS	Uniform Patient Fee Structure
US	United States
UTT	Universal Test-and-Treat
VECA	Vukuzakhe Emerging Contractors Association
VSCPP	Volunteer Social Crime Prevention Programme
WC	Western Cape
WESSA	Wildlife and Environmental Society of South Africa
WHO	World Health Organisation
WTO	World Trade Organisation
WULA	Water Use Licence Application

Zulu words	English translation
Amakhosi (pl.)	Traditional leaders or chiefs
Isibindi	Courage
I(zi)nduna (pl.)	Head men
Inkululeko	Freedom
Izandla Ziyagezana	People helping one another
Sakhisizwe	Build a nation
Siyadlala	We are playing
Umkhosi Wamaganu/Umthayi	Amarula Festival
Umkhosi Wesivivane	First Fruit ceremony
Umkhosi Womhlanga	Royal Reed Dance
Umkhosi Woselwa	Thanksgiving
Vukuzakhe	Wake up and build
Vulindlela	Open the way
Zibambeke	Do it yourself
Zimele	Be independent

Other words	English translation
Batho Pele	People first
Lekgotla	Executive Council Forum
Phakisa	Accelerate

**OVERVIEW
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

1. SOCIO-ECONOMIC OUTLOOK

1.1. Introduction

The Overview of Provincial Revenue and Expenditure (*OPRE*) gives a review of the socio-economic landscape and provides an analysis of the demographics of KZN, the global, national and provincial economic outlook, as well as a sector analysis including manufacturing, travel and tourism, construction and transport. The provincial labour market is analysed, as are developmental indicators, namely poverty and human development, household income and inequality, grant beneficiaries, health and education.

The demographic analysis focuses on migration patterns in KZN. In this regard, KZN has experienced a high level of out-migration, whereby a large proportion of the economically active population is leaving the province for better job opportunities in other provinces, especially Gauteng (GP). Furthermore, the population distribution of KZN in 2017 indicated that the largest populace group was that of children and youth, which accounted for approximately 69.3 per cent of the total population.

On the economic front, the global economic outlook is experiencing a cyclical recovery, reflecting a rebound in investment, manufacturing activity and trade. The global moderate recovery estimated in 2017 is expected to be sustained in 2018 and 2019 across the regions, including the advanced countries, emerging markets and developing economies, Sub-Saharan Africa and in South Africa (SA). The sector analysis in KZN illustrates that manufacturing and travel and tourism are two of the key industries that contribute to Gross Domestic Product (GDP) and hence employment, while construction and transport are two of the fastest growing sectors.

SA's economy continues to experience a high rate of unemployment, especially among the youth who lack essential skills required in the labour market. Although KZN's level of unemployment is less than the national average, developmental indicators reveal that the province has a Human Development Index¹ (HDI) lower than that of the national average, which is an indication of relatively low levels of education, health and other basic social services.

The lack of the above has a direct result on poverty levels. While KZN is the largest recipient of social grants, it is a concern that the food and lower poverty lines show a marginal increase over the three years 2006, 2011 and 2016 in KZN. As indicated by Statistics South Africa (StatsSA), 2017 most households earn less than R54 000 per annum. Low levels of education have a direct impact on the high unemployment rate. This is especially evident in KZN where a low literacy rate still exists, thus attainment of a senior certificate is low.

1.2 Provincial population dynamics

Population dynamics exert a tremendous influence over various aspects of economic development which include, among others, standard of living, levels of literacy and education standards, as well as the levels of healthcare. Recognising and planning for a demographic transition is an essential prerequisite for the welfare of a society. This will ensure efficient allocation of available resources for the benefit of current and future generations.

In analysing the population dynamics, it is essential to focus on factors such as urbanisation and migration patterns, fertility and mortality rates, life expectancy, infant and child mortality rates, as well as the gender and age structure of the population. These factors have an influence on the economy of the country in terms of changes in labour market structure, dependency ratio and the government fiscus. The analysis of the demographic structure plays an important role in the efficient allocation of resources in all spheres of government.

¹ HDI is the measure of standard of living in respect of health, education and life expectancy.

1.2.1 Total population

The 2017 mid-year population estimates by StatsSA² show that the country's population is currently estimated at 56.5 million. Table 1 shows that KZN is home to an estimated 11.1 million people which is 19.6 per cent of the country's total population. KZN is the second most populated province after GP, which has an estimated 14.3 million people constituting 25.3 per cent of the total national population.

Table 1 : South African population by province in 2006, 2011 and 2017

	2006		2011		2017		Average population growth rate (2011 - 2017)
	Population	% Share of national population	Population	% Share of national population	Population	% Share of national population	
South Africa	47 390 900	100	50 586 757	100	56 521 900	100	11.7
Eastern Cape	6 894 300	14.5	6 829 958	13.5	6 498 700	11.5	-4.9
Free State	2 958 800	6.2	2 759 644	5.5	2 866 700	5.1	3.9
Gauteng	9 526 200	20.1	11 328 203	22.4	14 278 700	25.3	26.0
KwaZulu-Natal	9 924 000	20.9	10 819 130	21.4	11 074 800	19.6	2.4
Limpopo	5 365 400	11.3	5 554 657	11.0	5 778 400	10.2	4.0
Mpumalanga	3 508 000	7.4	3 657 181	7.2	4 444 200	7.9	21.5
North West	3 374 200	7.1	3 253 390	6.4	3 856 200	6.8	18.5
Northern Cape	1 094 500	2.3	1 096 731	2.2	1 214 000	2.1	10.7
Western Cape	4 745 500	10.0	5 287 863	10.5	6 510 300	11.5	23.1

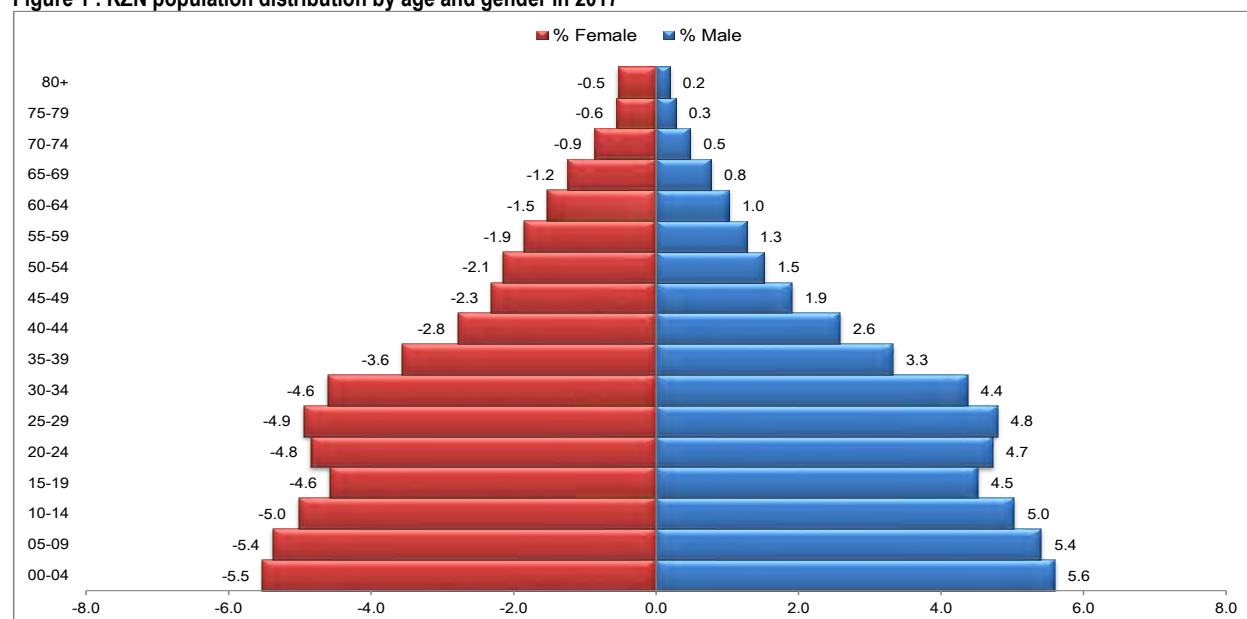
Source: StatsSA, 2006, 2011 and 2017

The average growth rate in the population of KZN between 2011 and 2017 was 2.4 per cent, which is the second lowest after the Eastern Cape (-4.9 per cent). This shows that inter-provincial migration has taken place in the country in this period. As a result, this migration has affected KZN negatively, where out-migration exceeded in-migration by a revised estimate of 62 360 people over the same period. It is also projected that out-migration between the year 2016 and 2021 will exceed in-migration by 53 707 people (StatsSA, 2017). The major determinants of the declining population growth are the migration rate, a high mortality rate coupled with a low fertility rate and a high morbidity rate in the province. The implication of the high migration rate in KZN is visible in the decline in the proportion of the Provincial Equitable Share (PES) allocation.

1.2.2 Population distribution by age and gender

Figure 1 shows the population distribution of KZN by age and gender in 2017.

Figure 1 : KZN population distribution by age and gender in 2017



Source: StatsSA, 2017

² StatsSA (2017): *Mid-year population estimates 2017*, Statistical Release P0302 (31 July 2017). Pretoria, Government Printer, available from www.statssa.gov.za, accessed on 9/01/2018.

An estimated 31.9 per cent of the population are children between 00 and 14 and about 37.4 per cent are youth that are economically active (15-34). Collectively, children and young people account for an estimated 69.3 per cent of the total provincial population. The total provincial dependent population is estimated at 4 080 277, while the economically active population is estimated at 6 994 504. The implication of these estimates is a high dependency ratio of 58.3³ per cent in 2017. This is still high, but lower than the 65.2 per cent recorded in 2016.

A high dependency ratio burdens the working age population as it bears greater responsibility of paying for public services. However, if it is dominated by the youth dependency ratio, as is the case with SA at 50.6 per cent, it can yield a demographic dividend⁴ in the long-run. This can be done by implementing quality early childhood development (ECD), basic education, technical and vocational education and training, as well as higher education. The long-term result of a quality education system is an increase in productive citizens which is then anticipated to improve the average income per capita in the country.

If government is unable to reduce the high dependency ratio or formulate and implement policies that empower young people while making older persons self-supporting, there could be pressures on the fiscus. This can lead to higher borrowing or an increase in taxes which, in turn, crowds out private sector investment and reduces consumers' disposable income.

1.3 Global, national and provincial economic outlook

1.3.1 Global economic review and outlook

The projections by the World Bank (2018)⁵, International Monetary Fund (IMF) 2018⁶, and the Organisation for Economic Co-operation and Development (OECD) 2017⁷, indicate that the global economy is experiencing a cyclical recovery, reflecting a rebound in investment and manufacturing activity. The IMF (2018) expects global economic growth to have increased to 3 per cent in 2017 and to remain the same at 3.9 per cent in both 2018 and 2019 (Table 2).

Advanced economies

Table 2 shows that the growth rate in *Advanced Economies* is estimated to have rebounded to 2.3 per cent in 2017. GDP growth in the *United States (US)* was estimated at 2.3 per cent in 2017 but is expected to gain momentum and reach 2.7 per cent in 2018. This is, however, projected to slide down slightly to 2.5 per cent in 2019. The growth rate for the *Euro Area* gained substantial momentum in 2017 when it reached an estimated 2.4 per cent, which is slightly up from 1.8 per cent in 2016. However, this growth is expected to be at a more restrained pace of 2.2 per cent and 2 per cent in 2018 and 2019, respectively. *Japan's* growth rate picked up to 1.7 per cent in 2017, but is projected to slow down to 1.2 per cent and 0.9 per cent in 2018 and 2019, respectively.

Emerging market and developing economies

The economic performance in *Emerging Countries* is also estimated to have picked up marginally from 4.7 per cent in 2017 to 4.9 per cent and 5 per cent in 2018 and 2019, respectively. This improvement reflects a recovery in commodity exporters amid continued robust activity in commodity importers. In *India*, economic growth has decelerated to 6.7 per cent in 2017. The economic performance of the country is, however, projected to strengthen to 7.4 per cent in 2018, before expanding slightly to 7.8 per cent in 2019.

³ Dependency Ratio = [(Number of people under 15 years) + (Number of people aged 65 and over)] ÷ (Number of people between 15 and 64) × 100 = (4 080 277 ÷ 6 994 504) × 100 = 58.3 per cent. The dependency ratio is an age population ratio of those not in the labour force.

⁴ Demographic dividend refers to the growth in an economy that is the resultant effect of a change in the age structure of a country's population. The change in age structure is typically brought on by a decline in fertility and mortality rates.

⁵ World Bank (2018) *Global Economic Prospects, Broad-Based Upturn, but for How Long?* Available online: <http://documents.worldbank.org/curated/en/965861515772893243/pdf/GEP2018a-embargoed-01092018.pdf>, accessed on 24.01.2018.

⁶ IMF (January 2018): *World Economic Outlook Update*, an update of the key WEO projections, Brighter Prospects, Optimistic Markets, Challenges Ahead; available from www.imf.org, accessed on 25.01.2018.

⁷ OECD (2017) OECD Economic Outlook, The policy challenge: Catalyse the private sector for stronger and more inclusive growth, presentation by Ángel Gurría OECD Secretary-General (28/11/2017), available online: <http://www.oecd.org/economy/outlook/catalyse-the-private-sector-for-stronger-inclusive-growth-EO-11-2017-presentation.pdf>, accessed 30.11.2017.

Table 2 : Percentage change in global economic performance measured in GDP, 2015 to 2019

	Estimates						Projections			
	IMF			World Bank			IMF		World Bank	
	2015	2016	2017	2015	2016	2017	2018	2019	2018	2019
World	3.2	3.1	3.7	2.7	2.3	3.0	3.9	3.9	3.1	3.0
Advanced Economies	2.1	1.6	2.3	2.1	1.6	2.3	2.3	2.2	2.2	1.9
United States (US)	2.6	1.6	2.3	2.6	1.6	2.3	2.7	2.5	2.5	2.2
Euro Area	2.0	1.7	2.4	2.0	1.6	2.4	2.2	2.0	2.1	1.7
Japan	1.2	0.9	1.8	1.2	1.0	1.7	1.2	0.9	1.3	0.8
Emerging Countries	4.1	4.1	4.7	3.5	3.4	4.3	4.9	5.0	4.5	4.7
Russia	-3.7	-0.6	1.8	-3.7	-0.6	1.7	1.7	1.5	1.7	1.8
China	6.9	6.7	6.8	6.9	6.7	6.8	6.6	6.4	6.4	6.3
India	7.6	6.6	6.7	7.6	7.0	6.7	7.4	7.8	7.3	7.5
Brazil	-3.8	-3.5	1.1	-3.8	-3.4	1.0	1.9	2.1	2.0	2.3
Sub-Saharan Africa	3.4	1.6	2.7	3.1	1.5	2.4	3.3	3.5	3.2	3.5
South Africa	1.3	0.3	0.9	1.3	0.4	0.8	0.9	0.9	1.1	1.7

Source: IMF and World Bank (2018)

Following the 0.6 per cent contraction in 2016, *Russia* has emerged from recession and is estimated to have moderated to 1.8 per cent in 2017. Growth in GDP is projected to continue at a restrained pace of 1.7 per cent in 2018 and 1.5 per cent in 2019, largely as a result of stable oil prices, better business sentiment and improved credit conditions which are expected to support investment and consumption.⁸

In *China*, economic growth is estimated to have strengthened and reached 6.8 per cent in 2017, slightly up from 6.7 per cent in 2016. This robust growth rate was mainly driven by services and some strategic industries. The economic performance in *China* is, however, projected to soften to 6.6 per cent in 2018 and 6.4 per cent in 2019, as exports decelerate. Among the largest commodity exporters, growth in *Brazil* rebounded to an estimated 1.1 per cent in 2017, following two years (2015 and 2016) of contraction. Growth is expected to strengthen further to 1.9 per cent in 2018 and 2.1 per cent in 2019, but is expected to remain sensitive to political developments.⁹

Sub-Saharan Africa

Economic growth in *Sub-Saharan Africa* also strengthened to 2.4 per cent in 2017, partly reflecting a softer-than-expected recovery in Nigeria. The economy of the region is expected to gain momentum and rise to 3.3 per cent in 2018 and 3.5 per cent in 2019. An upturn in metal prices, along with a recovery in the agricultural sector, supported a modest rebound in metal exports. Disturbingly, despite these improvements, regional growth remained negative in per capita terms in 2017 (World Bank, 2018).

1.3.2 National economic review and outlook

SA continues to record slow economic growth. According to data from StatsSA (2017)¹⁰, growth has averaged an estimated 3 per cent since 1994, which is considerably lower than the 5 per cent required in the National Development Plan (NDP), 2011¹¹. The South African Reserve Bank (SARB), 2018¹² expects the economy of the country to expand to 1.4 per cent and 1.5 per cent in 2018 and 2019, respectively. Meanwhile, National Treasury (2018)¹³ has revised its growth estimate for SA to 1 per cent in 2017 and projects moderate growth rates of 1.5 per cent in 2018 and 1.8 per cent in 2019, mainly due to the expected increase in private investment as a result of improved business and consumer confidence. These projections are slightly higher than the conservative 0.9 per cent by the IMF (Table 2).

The forecast by the SARB indicates that the national growth prospects are showing some signs of improvement, *albeit* at a slow pace. This follows encouraging and moderate growth rates of 2.5 per cent

⁸ OECD (2017): Russian Federation - Economic forecast summary (November, 2017) <http://www.oecd.org/eco/outlook/economic-forecast-summary-russia-oecd-economic-outlook.pdf>, accessed on 20/12/2017.

⁹ OECD (2017): Brazil - Economic forecast summary (November 2017), available online: <http://www.oecd.org/eco/outlook/economic-forecast-summary-brazil-oecd-economic-outlook.pdf>, accessed on 20/11/2018.

¹⁰ StatsSA (2017) *Gross domestic product, Third quarter 2017*, Statistical Release Statistical release P0441 (05 December 2017). Pretoria, Government Printer, available online: <http://www.statssa.gov.za/publications/P0441/P04413rdQuarter2017.pdf>, accessed on 05/12/2017.

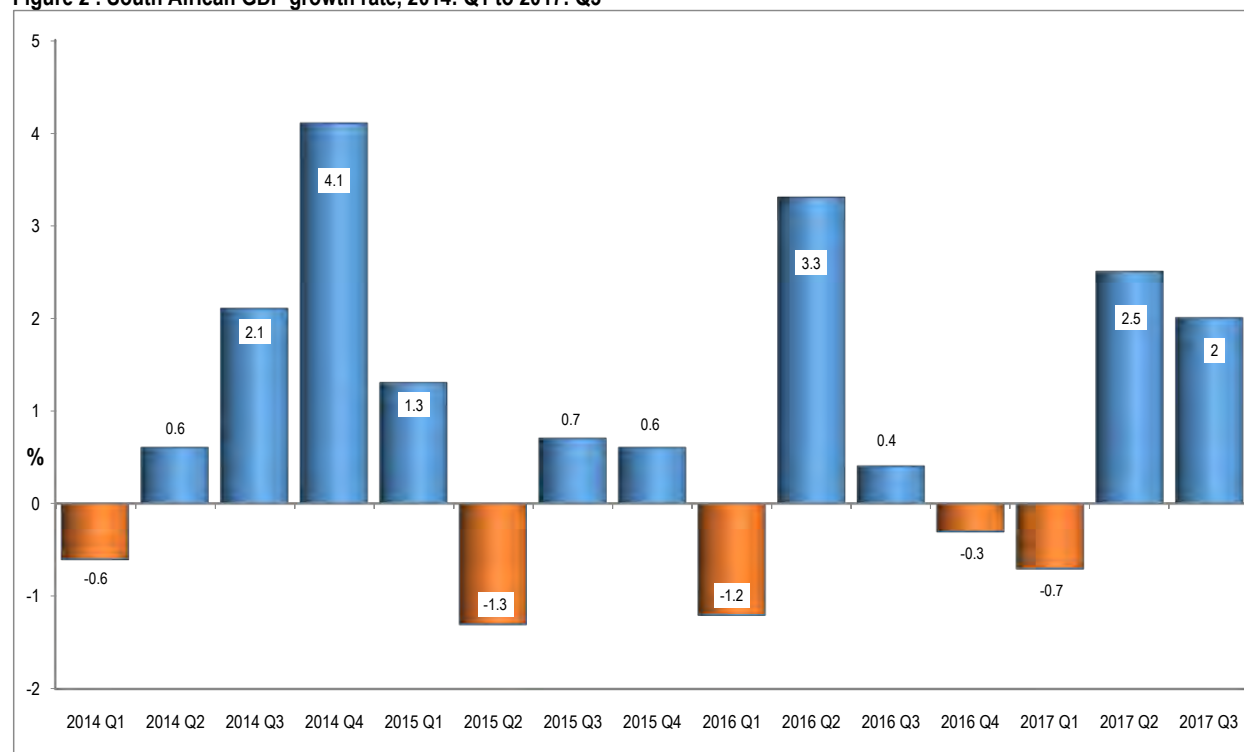
¹¹ National Development Plan (NDP), 2011 is a long-term plan articulating SA's vision to eliminate poverty and reduce inequality by 2030.

¹² SARB (2018) Statement of the Monetary Policy Committee, Press statement delivered by the Governor of the SARB. Available online: <https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/8213/MPC20Statement%20January%202018.pdf> accessed on 18.01.2018.

¹³ Treasury (2018) Budget Review, 2018, available: <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>, accessed on 21.02.2018.

and 2 per cent in the second and third quarters of 2017, driven to a significant degree by the exceptional recovery in the agricultural sector, which increased by 44.2 per cent in the third quarter (Figure 2 and StatsSA, 2017). The report by StatsSA further indicates that the mining and manufacturing industries also contributed significantly, increasing by 6.6 per cent and 4.3 per cent, respectively, in the third quarter of 2017. Subsequently, SA emerged out of its technical recession which had resulted from two consecutive contractions in the last quarter of 2016 and the first quarter of 2017.

Figure 2 : South African GDP growth rate, 2014: Q1 to 2017: Q3



Source: StatsSA, 2017

The prospect of rising mineral prices and the African National Congress elective conference in December 2017, which resulted in new political leadership, are generally cited as contributing factors to the improved outlook for the national economy (SARB, 2018). Optimism has improved and there is more positive investor and business confidence in the economy of SA.

This optimism is also supported by the OECD (2017)¹⁴, which projects a moderate upswing in the country's growth in 2018 and 2019. The OECD cites stronger activity in trading partners, which is expected to boost exports, as well as investment to support growth in 2019 on the assumption that business confidence increases and policy uncertainty is declining. The OECD also notes that, despite a persistently high unemployment rate, private consumption is expected to expand as wages increase moderately and food prices stabilise. However, the long-term challenges facing the country include the creation of a stronger, more inclusive and resilient economy.

The projected recovery in the national economic performance is further confirmed by the seasonally adjusted Barclays Purchasing Managers' Index (PMI)¹⁵, which rose to 49.9 index points in January 2018. A score above 50 indicates an expanding manufacturing sector. The January PMI suggests that the local manufacturing sector started the year on relatively solid ground compared to previous readings.

The healthier PMI reading is also reinforced by the South African Chamber of Commerce and Industry's (SACCI) business confidence index (BCI), which increased to 96.4 in December 2017 from 95.1 in

¹⁴ OECD (2017): South Africa - Economic forecast summary (November 2017). Available online: <http://www.oecd.org/eco/outlook/economic-forecast-summary-south-africa-oecd-economic-outlook.pdf>, accessed on 20/12/2017.

¹⁵ Barclays PMI is an indicator of activity in the manufacturing sector. The index provides leading indications of business conditions in the sector, where a level below 50 suggests a contraction in activity while one above 50 points suggests expansion, available online: <https://www.ber.ac.za/BER%20Documents/ABSA-PMI/?doctypeid=1066>, accessed on 07/02/2018.

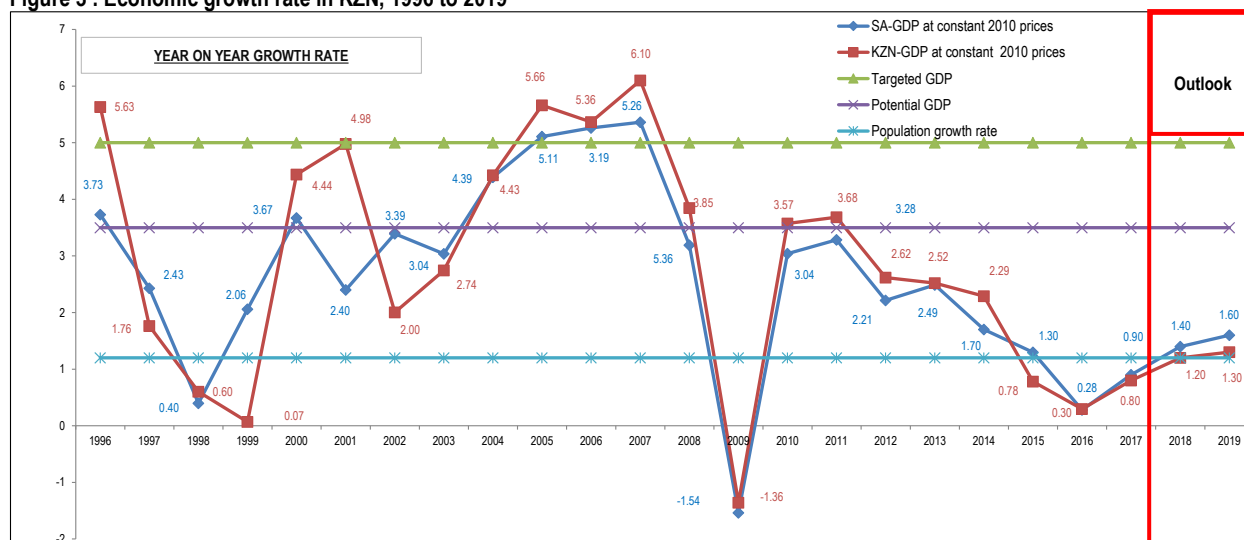
November 2017.¹⁶ The SACCI BCI is expected to improve substantially, particularly as political developments have vastly improved the business mood.¹⁷

According to the SARB (2018), despite being relatively constrained, the outlook for household consumption expenditure has improved. The bank expects consumer expenditure to be the main driver of GDP growth in the short to medium term. The central bank further states that, although consumers are likely to be adversely affected by possible further tax increases, expenditure is expected to be underpinned by lower inflation and positive real wage increases.

1.3.3 KZN economic review and outlook

Following both global and national trends, the provincial economy is also picking up, but at a marginal rate. The economy of KZN is estimated to have recorded a seasonally adjusted growth rate of 0.8 per cent in 2017, compared to a mere 0.3 per cent registered in 2016. Similar to the national projections, the provincial economic outlook is also on an upward trajectory and expected to grow at 1.2 per cent and 1.3 per cent in 2018 and 2019, respectively, as shown in Figure 3. These growth rates are, however, below the targeted 5 per cent required to achieve job creation as outlined in the NDP and the Provincial Growth and Development Plan (PGDP), 2018¹⁸. The PGDP aims for an inclusive, expanded and sustained economic output, which is the fundamental driver for job creation and economic growth.

Figure 3 : Economic growth rate in KZN, 1996 to 2019



Source: StatsSA, 2017 and IHS Markit, 2017

A regional comparison indicates that KZN is one of the key provinces in the national economy in terms of GDP contribution. The estimated real GDP generated by the province amounted to approximately R490.663 billion in 2016, making KZN the second largest contributor to the national economy at 16 per cent, after GP with 35.4 per cent. KZN was moderately above the 13.9 per cent recorded in the Western Cape (WC).

Given the economic activities that take place within eThekwin¹⁹, the total provincial output is predominantly concentrated in the Metro at 61.3 per cent. This is followed by uMgungundlovu with 10.2 per cent and King Cetshwayo with 6.8 per cent. The least contributing districts are uMzinyathi, Harry Gwala and uMkhanyakude at estimated rates of 1.5 per cent, 1.7 per cent and 2.4 per cent, respectively.

¹⁶ See BCI available online: <http://www.sacci.org.za/press-releases>, accessed on 07/02/2018.

¹⁷ The index is composed by thirteen sub-indices, including energy supply, manufacturing, exports, imports, vehicle and retail sales, construction, inflation, share prices, private sector borrowing, financing cost, precious metal prices and exchange rate. See Trading Economics (2018): South Africa SACCI Business Confidence Index, available online: <https://tradingeconomics.com/south-africa/coincident-index> accessed on 07/02/2018.

¹⁸ KZN Provincial Planning Commission (2018) Provincial Growth and Development Plan, 2018, available online: <http://www.kznppc.gov.za/images/downloads/PGDP%202018.pdf>, accessed on 07.02.2018.

¹⁹ KZN province has one metro (eThekwin) and ten district municipalities which are: Ugu, uMgungundlovu, uThukela, uMzinyathi, Amajuba, Zululand, uMkhanyakude, King Cetshwayo, Harry Gwala and iLembe.

Sector analysis

Manufacturing is one of the key contributing industries in the KZN economy. The industry grew moderately at 1 per cent between 2006 and 2016. Similar to most industries, a substantial proportion of manufacturing production towards the provincial total GDP is from eThekweni. The sub-industries with a major contribution to manufacturing's average growth rate are *electronic, sound/vision, medical and other appliances, electrical machinery, apparatus and textile, clothing and other leather goods*.²⁰

Construction was the fastest growing sector (5.1 per cent) from 2006 to 2016 but recorded a mere 1.2 per cent growth rate in 2016, while *trade* showed a positive average growth rate of 2.7 per cent over the ten year period under review. The moderate performance in construction over the latter period was cushioned by growth in *retail trade and repairs of goods, hotels and restaurants and wholesale and commission*.

Transport (2.8 per cent) has also been one of the fastest growing industries in the province over the 2006 to 2016 period. The *Post and telecommunication* sub-industry led the growth trajectory, followed by *air transport and transporting* activities. At 3.1 per cent each, *finance* and *government* were the second fastest growing sectors in the province over the past decade. The robust performance in the finance sector was by far supported by growth in the *finance and insurance* sub-sector.

In terms of sector contribution towards provincial real GDP, the government makes up an estimated 20.3 per cent. It is also important to note that, at both the national level and in KZN, a large proportion of GDP and employment emanates from the tertiary sector. This sector grew between 2006 and 2016, while the primary and secondary sector's contributions to GDP and employment were declining. This indicates that the economy is converging towards being a tertiary sector-based economy, which is skilled-labour intensive, but a large majority of the SA population lack skills.

Travel and tourism in KZN

Out of 185 countries, SA is ranked 35th in terms of tourism's direct contribution to GDP in absolute terms, with travel and tourism contributing a total of R127.9 billion in 2016 rising to R131.3 billion in 2017. Travel and tourism's total contribution to total GDP was R412.2 billion in 2017 and is expected to show annual growth of 4.2 per cent over the period 2017 to 2027. In terms of employment, the country directly supported some 716 500 jobs in 2016, rising to 742 294 in 2017. In SA, travel and tourism supported 1.636 million jobs in the tourism industry in 2017 and this is projected to reach around 2.5 million in 2027 (WTTC, 2017).²¹

KZN had 3.2 million visitors and this constituted SA's third top domestic tourism destination market in 2016 after GP with 6.6 million and Limpopo (LP) with 6.3 million (SAT, 2017)²². KZN boasts some of the most popular tourist attractions in SA including the spectacular Drakensberg Mountains, the beaches of the Indian Ocean, Ushaka Marine World, game reserves, the iSimangaliso wetlands, Oribi Gorge and historic battle fields.

Travel and tourism is one of the major contributors to KZN's employment. In 2016, the number of people directly employed in the sector was approximately 82 175, while the industry's total contribution to employment was estimated at 175 142. In the same year, tourism's direct contribution to GDP in KZN was estimated at R9 billion and the total contribution was approximately R18 billion (Zulu Kingdom, 2016)²³.

1.4 Provincial labour market

The SA labour market continues to experience a high unemployment rate, which is undoubtedly the result of structural factors including slow economic performance, shortage of skills and low productivity, among others. The domestic economy has been growing at a slow pace since the global financial crisis²⁴,

²⁰ KZN Treasury (2018): Socio-Economic Review and Outlook, 2017/2018, KwaZulu-Natal Provincial Government.

²¹ World Travel & Tourism Council (2017) Economic Impact 2017 South Africa. Available online: <http://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/southafrica2017.pdf>, accessed on 19.01.2018.

²² SAT (2017) Tourist arrivals aligned to StatsSA Tourism & Migration reports, available online: <https://live.southafrica.net/media/48836/tourists-table-b-june-2017.pdf/downloadId=83272>, accessed on 02.02.2018.

²³ Zulu Kingdom (2017) Statistics of Our Tourism Sector. Available online: <http://www.zulu.org.za/files/images/files/Stats%20Brochure%202016%284%29.pdf>, accessed on 02.02.2018.

²⁴ Global financial crisis of 2009 resulted in a contraction of 1.3 per cent in the country and thus left the legacy of a slow economic growth.

thereby negatively affecting the labour market in terms of job creation. It is a fact that employment cannot grow enough to absorb the workforce, especially new entrants, if the economy is underperforming. Disturbingly, the level of unemployment is exceedingly high among the youth as opposed to the older people of working-age²⁵.

The national unemployment rate was estimated at 26.7 per cent in the fourth quarter of 2017, moderately lower than 27.7 per cent recorded in the second and third quarters of the year (StatsSA, 2018)²⁶. The unemployment rate has remained high at approximately 25 per cent for the past two decades without a significant decline. Furthermore, unemployment in the country is above the average of other Emerging Market Economies (EME) including the other BRICS²⁷ countries.

The scourge of high unemployment is pertinent to provinces across the country including KZN. StatsSA (2018) shows that KZN's unemployment rate, currently estimated at 24.1 per cent, is slightly lower than the national average and that of other provinces, except for the WC and LP at 19.5 per cent and 19.6 per cent, respectively. The largest proportion of employment in KZN emanates from *community services* at 23.8 per cent. This is followed by *trade and finance* at 21.3 per cent and 12.6 per cent, respectively.

1.5 Development Indicators

1.5.1 Poverty and human development

Table 3 shows that the percentage share of people living below the food poverty line (FPL)²⁸ stood at 31.8 per cent in 2016 (an increase of 4 percentage points from 27.8 per cent in 2011) while the proportion of those living below the lower poverty line (LBPL)²⁹ increased by 0.9 percentage points to 46 per cent over the same period. A proportion of 61.4 per cent was living below the upper poverty line (UBPL)³⁰ in 2016. The Poverty headcount and Poverty intensity (which are measurements of multidimensional deprivation) for 2016 indicate that poverty in KZN is at higher than average levels in comparison to other provinces. High poverty levels impact negatively on the level of human development as more people are unable to access quality services in the health and education sectors for a better quality of life. The HDI in KZN was estimated at 0.61 in 2016, which was lower than the national average of 0.65.

Table 3 : Development indicators for SA and KZN, 2006 - 2016

Indicator	South Africa			KwaZulu-Natal		
	2006	2011	2016	2006	2011	2016
Unemployment rate, official definition (%)	25.8%	24.9%	29.9%	29.9%	20.2%	23.1%
Human Development Index (HDI)	0.55	0.61	0.65	0.48	0.55	0.61
Gini coefficient	0.65	0.63	0.63	0.64	0.62	0.63
Share below the food poverty line (StatsSA defined)	22.3%	21.4%	25.1%	27.5%	27.8%	31.8%
Share below the lower poverty line (StatsSA defined)	38.8%	36.8%	38.4%	45.9%	45.1%	46.0%
Share below the upper poverty line (StatsSA defined)	56.9%	54.0%	53.8%	64.3%	62.4%	61.4%
Functional literacy: age 15 +, completed grade 7 or higher	77.9%	82.1%	83.5%	75.1%	79.3%	80.9%
Poverty headcount (StatsSA defined)	-	-	7.5%	-	10.9%	7.70%
Poverty intensity (StatsSA defined)	-	-	42.4%	-	42%	42.50%

Source: IHS Markit, 2018 and StatsSA, 2017³¹

Note dash (-) in the table represents unavailability of data

²⁵ The unemployment rate was high among the youth aged between 15 and 24 years at 51.1 per cent, followed by those aged between 25 and 34 years at 33.4 per cent in the fourth quarter of 2017 (StatsSA, 2018).

²⁶ StatsSA (2018): *Quarterly Labour Force Survey*, Quarter four 2017, Statistical release P0211, available online: <http://www.statssa.gov.za/publications/P0211/P021114thQuarter2017.pdf>, accessed on 14.02.2018.

²⁷ BRICS – a group of countries including Brazil, Russia, India, China and South Africa (see trading economics, available online: <https://tradingeconomics.com/country-list/unemployment-rate>, accessed on 09/01/2018).

²⁸ The FPL is the Rand value below which individuals are unable to purchase or consume enough food to supply them with minimum per-capita-per-day energy requirement for good health (which is about 2 100 kilocalories).

²⁹ Individuals at the LBPL do not have command over enough resources to consume or purchase both adequate food and non-food items and are therefore forced to sacrifice food to obtain essential non-food items.

³⁰ The UBPL group are still considered in poverty, but can generally purchase both food and non-food items.

³¹ StatsSA (2017) *Poverty Trends in South Africa: An examination of absolute poverty between 2006 and 2015*. Available online: <http://www.statssa.gov.za/publications/Report-03-10-06/Report-03-10-062015.pdf>, accessed 05.02.2018.

1.5.2 Household income and income inequality

Table 4 shows that in 2016, a concerning 40.2 per cent of KZN households were categorised as lower income earners (R0 – R54 000 per annum), where 97.7 per cent of these were African households, 17.8 per cent were Coloured, and 3 per cent were White. Approximately 20.4 per cent were categorised as a low emerging middle class, earning an annual income of between R54 000 and R96 000. This is in contrast with 6.4 per cent of households in the province categorised as realised middle-class earners (R360 000 – R600 000). Only 1.5 per cent of KZN households were considered as affluent, earning in excess of R1.200 million per annum.

The large gap between the incomes of the four population groups clearly depicts the level of income inequality that exists within the province, where 47 per cent of African households are lower income earners and none are considered affluent. This large disparity is further supported by KZN's Gini coefficient of 0.63, which is categorised as a highly unequal distribution of income.

Table 4 : Income distribution by proportion of households in KZN, 2016

Income category	Income level (R'000)	African	White	Coloured	Asian	Grand total
Lower income	0 - 54	47%	3%	17.8%	4.9%	40.2%
Low emerging middle income	54 - 96	23%	3%	15.5%	11.1%	20.4%
Emerging middle class	96 - 360	24%	34%	40.7%	51.2%	27.1%
Realised middle class	360 - 600	4%	25%	13.1%	17.1%	6.4%
Upper middle class	600 - 1 200	2%	23%	10.4%	11.3%	4.4%
Affluent	1 200 +	0%	11%	3%	4.4%	1.5%
Grand total		100%	100%	100%	100%	100%

Source: HIS Markit, 2018

1.5.3 Grant beneficiaries

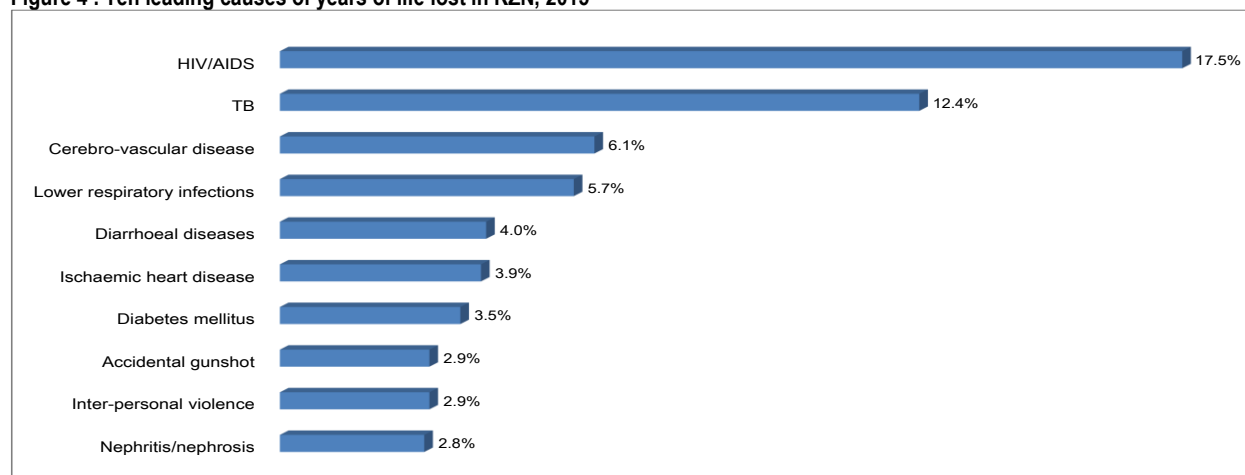
KZN had the highest number of social grant beneficiaries as at 31 December 2017 on a national scale, with a total number of 3 857 958 which equates to about 22.2 per cent. This was slightly lower than the 3 898 803 beneficiaries recorded in the previous month, as well as the 3 885 396 beneficiaries recorded at 31 December 2016. The province had the highest share of recipients of the Old Age Grant (673 793 beneficiaries, 19.9 per cent), Disability Grant (229 458 beneficiaries, 21.5 per cent), Grant-in-Aid (54 098 beneficiaries, 29.3 per cent), Care Dependency Grant (39 123 beneficiaries, 26.7 per cent) and the Child Support Grant (2 782 071 beneficiaries, 22.8 per cent).

In terms of growth in beneficiary numbers since 31 December 2016, the Old Age Grant (2.5 per cent) and Grant-in-Aid (5.2 per cent) experienced increases, while the other grant types experienced a decline in numbers. The most notable decline was in the number of War Veterans' Grant beneficiaries (28 per cent), followed by Foster Child Grant beneficiaries (11.1 per cent).

1.5.4 Health

Figure 4 shows the ten leading causes of years of life lost in KZN in 2015.

Figure 4 : Ten leading causes of years of life lost in KZN, 2015



Despite the strides that have been made in reducing mortality rates in KZN, the province seems to be grappling with obstinate HIV and AIDS prevalence rates, as well as TB. These two communicable diseases were the leading causes of years of life lost in 2015.

1.5.5 Education

Education is essential for the enhancement of human capital, in terms of providing better prospects for people to generate an income. One of the Department of Education's (DOE) strategic objectives is to extend a better quality of life to children of school-going age. According to Calman and Tarr-Whelan (2005)³², investing in early education generates economic development for communities in the short-term in the form of jobs, the purchase of goods and services and a more efficient workforce. In the long-term, quality early education builds an employable and educated workforce.

Heckman, Pinto and Savelyev (2013)³³ further state that the holistic development of young children (physical, socio-emotional, language and cognitive) plays a critical role in shaping their subsequent school attainment, performance, health, and future earnings, as well as assists in discouraging anti-social behaviour. These studies provide evidence that ECD gives a good basic education foundation. It is from this backdrop that quality basic education is one of the 14 national outcomes as indicated in the Medium Term Strategic Framework (MTSF) of SA. It is therefore not surprising that education is receiving the largest allocation in the national budget.

1.5.5.1 Literacy rate

According to the World Bank, literacy rate³⁴ means people who are aged 15 and above, who can read and write with understanding a short simple statement on their everyday life. The literacy rate has an influence on human capital and the ability of individuals, social institutions and nations to adapt and change along with technology and other developments in the global market. The literacy rate in KZN increased from 72.4 per cent in 2006 to 80.9 per cent in 2016.

1.5.5.2 National senior certificate (NSC) achievements

Learner achievement rates in KZN increased by 6.5 per cent from 66.4 per cent in 2016 to 72.9 per cent in 2017. KZN had the second highest number of progressed learners after LP. The province achieved the third highest pass rate after the Free State (63.2 per cent) and GP (68.7 per cent) at 56.5 per cent. This is a significant improvement of 21.9 per cent from 34.6 per cent recorded in 2016.

The socio-economic status of the community affects the percentage of passes in different categories (quintiles) of schools. In line with this, the performance of lower quintile (1 to 3) schools, most of which are rural, achieved much lower percentage passes than quintile 4 and 5 schools which are mostly urban. Approximately 30 per cent of schools in the lower quintiles achieved more than an 80 per cent pass rate, compared to 55 per cent and 82.4 per cent of quintiles 4 and 5.

Nevertheless, there has been improvement in all the core subjects such as Mathematics, Physical Science and Accounting in KZN when comparing the results from 2016 and 2017. Mathematics improved from 37.9 per cent to 41.6 per cent, Physical Science from 57.8 per cent to 65.1 per cent and Accounting from 59.7 per cent to 62.4 per cent in KZN.

³² Calman L.J. and Tarr-Whelan L. Early childhood education for all. A wise investment. Available online: <http://web.mit.edu/workplacecenter/docs/Full%20Report.pdf>.

³³ Heckman J., Rodrigo P. and Peter S. (2013) "Understanding the Mechanisms Through Which an Influential Early Childhood Program Boosted Adult Outcomes." *American Economic Review* 103 (6): 2052–2086

³⁴ Literacy rate is calculated by dividing the number of literate individuals aged 15 years and over by the corresponding age group population and multiplying the result by 100. Available on: <http://data.worldbank.org/indicator/SE.ADT.LITR.ZS> accessed 30/01/2017.

2. BUDGET STRATEGY AND AGGREGATES

2.1 Introduction: Budget strategy – An overview

KZN has suffered substantial budget cuts over the last few MTEF periods. Some of these cuts related to the annual data update of the PES formula, while others related to National Treasury's fiscal consolidation plan. Unfortunately, KZN is not spared from budget cuts over the 2018/19 MTEF and the PES was cut due to data updates of the PES formula, as well as National Treasury's fiscal consolidation plan. There are also fiscal consolidation cuts against the conditional grant allocation. On the other hand, National Treasury is adding some funds to the province in the outer year to compensate the province for the wage shortfall, and some funds for the Social Development sector. However, the new wage agreement will be applicable from 2018/19, implying that if the wage agreement is above-budget, the shortfall in 2018/19 and 2019/20 will have to be borne by the province.

In view of these reductions, instead of allocating funds to departments, KZN had to find ways to deal with these reductions. The total amount to be reduced from the baseline, net of the Provincial Own Revenue upward adjustment, was R475.947 million, R542.072 million and R878.677 million over the 2018/19 MTEF. A Finance *Lekgotla* was held in February 2018 and it was determined that in the first year the cut would be absorbed by the Contingency Reserve with an understanding that the budget cuts would be proportionally allocated to all departments in the 2018/19 Adjustments Estimate. The Contingency Reserve thus amounts to R174.054 million, R744.930 million and R650 million over the MTEF.

2.2 Aligning provincial budgets to achieve government's prescribed outcomes

In preparing the 2018/19 budget, departments were requested to focus on the national outcomes, the NDP, PGDS and PGDP, as in previous budget processes. The 14 national outcomes are listed below:

1. Quality basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Comprehensive rural development and land reform.
8. Sustainable human settlements and improved quality of household life.
9. A responsive, accountable, effective and efficient local government system.
10. Environmental assets and natural resources that are well protected and continually enhanced.
11. Create a better South Africa and contribute to a better and safer Africa and World.
12. An efficient, effective and development oriented public service.
13. An inclusive and responsive social protection system.
14. Nation building and social cohesion.

2.3 Summary of budget aggregates

Table 2.1 provides an analysis of the overall provincial budget performance by comparing total receipts against total payments, resulting in a surplus or deficit before financing over the seven-year period. The table also provides the details on financing to provide the net position after financing for each year.

In aggregate, KZN recorded a surplus after financing in 2014/15, 2015/16 and 2016/17. Careful cash and budget management has meant that the province has spent very close to on-budget for the past few years, and has remained cash positive in terms of the provincial bank balance.

Table 2.1 : Provincial budget summary

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Provincial receipts									
Transfer receipts from national	94 195 075	100 318 136	105 493 465	112 580 183	112 780 183	112 780 183	119 016 716	126 592 950	135 809 018
Equitable share	78 138 477	83 131 565	87 897 580	93 756 530	93 756 530	93 756 530	99 263 681	106 363 502	113 997 676
Conditional grants	16 056 598	17 186 571	17 595 885	18 823 653	19 023 653	19 023 653	19 753 035	20 229 448	21 811 342
Provincial own receipts	3 148 995	3 260 603	3 202 020	3 038 628	3 038 628	3 233 005	3 236 438	3 349 606	3 473 612
Total provincial receipts	97 344 070	103 578 739	108 695 485	115 618 811	115 818 811	116 013 188	122 253 154	129 942 556	139 282 630
Provincial payments*									
Current payments	76 464 772	83 023 232	89 942 087	95 981 012	96 441 429	97 249 920	102 806 421	109 195 323	117 535 970
Transfers and subsidies	12 146 645	12 511 265	11 561 270	11 580 777	11 988 499	12 172 266	11 851 129	12 386 369	13 067 927
Payments for capital assets	8 229 007	8 640 102	7 869 102	7 557 177	8 070 640	8 050 079	7 834 104	7 718 694	8 054 641
Payments for financial assets	5 983	172 117	222 392	139 501	140 412	141 066	-	-	-
Total provincial payments	96 846 407	104 346 716	109 594 851	115 258 467	116 640 980	117 613 331	122 491 654	129 300 386	138 658 538
Surplus/(deficit) before financing	497 663	(767 977)	(899 366)	360 344	(822 169)	(1 600 143)	(238 500)	642 170	624 092
Financing	1 235 152	2 099 338	2 127 529	289 656	1 231 343	1 231 343	412 554	102 760	25 908
Provincial roll-overs	145 541	97 260	152 234	-	177 567	177 567	-	-	-
Provincial cash resources	1 091 595	2 002 434	2 006 057	289 656	1 101 947	1 101 947	357 554	102 760	25 908
Surplus Own Revenue surrendered	(2 247)	(2 603)	(6 829)	-	-	-	-	-	-
Surplus Own Revenue from prior year	263	2 247	2 603	-	6 829	6 829	-	-	-
Suspension to ensuing years	-	-	-	-	(55 000)	(55 000)	55 000	-	-
Allocations from the Contingency Reserve	-	-	(26 536)	-	-	-	-	-	-
Surplus/(deficit) after financing	1 732 815	1 331 361	1 228 163	650 000	409 174	(368 800)	174 054	744 930	650 000

* Estimated actual expenditure for 2017/18 is as at 31 December 2017

The 2017/18 Revised Estimate in Table 2.1, which is based on the December 2017 IYM, indicates that the province will end the year with a deficit of R368.800 million. Departments showing projected over-expenditure have been instructed to prepare turnaround plans to avoid this projected over-expenditure.

As mentioned above, KZN continues to budget for a Contingency Reserve over the MTEF. The Contingency Reserve is being kept for a number of reasons, but mainly to protect the province against the impact of unforeseen expenditure pressures when they arise.

2.4 Financing

Contingency Reserve

The total provincial receipts exceeds total provincial payments over the MTEF, thereby reflecting a surplus budget before and after financing. This indicates that not all financial resources available to the province have been allocated to the 15 provincial Votes for spending.

Sources of financing

The paragraphs below aim to provide an explanation of some of the terms contained in Table 2.1. The province has three sources of financing available, namely provincial roll-overs, provincial cash resources, and suspensions to the ensuing financial year.

Provincial roll-overs refer to funds that were appropriated and committed but not spent in that financial year. These unspent funds are then re-allocated to the relevant department during the Adjustments Estimate in the following year.

Provincial cash resources refer to surplus funds in the provincial revenue fund, after taking into account all commitments and roll-overs. This includes unspent appropriated funds in departments that were not rolled over to the ensuing financial year, as well as surplus provincial own revenue that was collected in prior financial years. This category also includes unspent funds which were surrendered in one financial year and allocated back to the same department in ensuing years. This source of financing also relates to any internal provincial reprioritisation that is undertaken to finance provincial commitments.

Suspension to ensuing years relates to funds suspended from a Vote in one year and allocated back to the same Vote in ensuing years.

Surplus own revenue surrendered/ from prior year relates only to the Provincial Legislature and occurs when, in terms of S22(1) of the PFMA, as well as the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), the Legislature retains its own revenue.

Implementation of Section 34(2) of the PFMA (First charge rule)

The province implemented the first charge rule (in terms of Section 34(2) of the PFMA) for the first time in 2009/10. This meant that the affected departments saw a reduction in their budgets available for spending, in order to pay back the over-expenditure they had incurred in prior years. Important to note and understand, though, is that these amounts are not removed from their budgets, but are allocated to *Payments for financial assets* to allow for the necessary accounting treatment thereof.

Cost-cutting measures

Cost-cutting has been in place in KZN since 2009/10. The aim of cost-cutting is to reduce expenditure on “frills” and “nice to haves” and to re-direct these funds into service delivery areas. The cost-cutting measures are updated and re-issued to departments each year and remain in place as they are critical elements of good governance. National Treasury issued Instruction Note 03 of 2017/18 which lists the national cost-cutting measures which all departments must adhere to. This Instruction Note is available on National Treasury’s website (www.treasury.gov.za). The latest provincial cost-cutting measures are:

1. Vacant non-OSD posts are frozen for both departments and public entities. Departments and entities are permitted to fill critical vacant posts, as long as they remain within their baselines and receive permission to fill these posts from the Premier and the MEC for Finance.
2. Where posts become vacant through natural attrition, or where departments and entities elect to fill critical posts from within their baselines, these may not be filled without receiving approval from the Premier and MEC for Finance.
3. Any revised organograms which have the effect of increasing a department’s or entity’s total staff number may not be implemented. Any revisions to organograms must be approved by the Premier and MEC for Finance.
4. A detailed assessment must be done of each department’s and each entity’s personnel in order to move non-productive staff to productive, critical service delivery posts. PERSAL should only reflect the number of posts that the department can afford to fill, i.e. budgeted posts.
5. Departments and public entities must ensure total enforcement of the current cost-cutting measures. Lavish and expensive events will not be approved by Provincial Treasury. Furthermore, events should be limited to service delivery events or campaigns only and the costs associated with such events should be rationalised.
6. Procurement and/or hiring of VIP services and facilities such as marquees, toilets and catering, etc. for events is strictly prohibited.
7. Donations and sponsorships to be made by departments and public entities towards events must be submitted to Provincial Treasury prior to making such donations or sponsorships. The submission must indicate what value for money will be achieved and what aspects of the proposed events are being sponsored.
8. New expenditure items/projects/mandates will be permitted only if they are funded through internal reprioritisation by the department and/or entity. Motivation for items/projects/mandates that require new funding from the provincial fiscus must be submitted to Provincial Treasury who will assess these critically.
9. All requests for equitable share roll-overs will be critically assessed by Provincial Treasury prior to being submitted to the Provincial Executive Council for approval.

Compensation of employees related:

10. As mentioned, there is a moratorium on the filling of non-critical posts. Accounting Officer and CFO to determine which posts are critical and may be filled.
11. Departments to ensure that only funded vacant posts appear on PERSAL.
12. No leave conversion payments (leave to be taken) – this does not apply to leave pay-outs when staff are exiting the public service.
13. Strict control of overtime.

Procurement related:

14. Budgets for non-essential goods and services to be kept at 2017/18 levels.
15. Furniture and equipment purchases to be approved by the Accounting Officer and the CFO. All furniture and equipment to be purchased should be standardised according to staff designations.
16. Energy saving projects to be explored with an aim of reducing electricity and water usage.
17. Timeous planning to be undertaken to ensure market related prices are charged by service providers.
18. Database of local service providers per municipality and fixed prices per commodity to be compiled to ensure exorbitant prices are not charged.
19. Cell phone, landline and data bundle costs to be reviewed and limitations in respect of usage and approval of these services to be effected. Stricter cell phone limits to be introduced.
20. Hiring of offices: government-owned properties to be utilised as far as possible to avoid costs.
21. Transversal contracts to be used for inventory items such as stationery, nappies, baby food, medication, etc.
22. Essential training to be done in-house (exceptions to be approved by the HOD).
23. Catering for meetings to be stopped (exceptions to be approved by the HOD, but there should be no catering for internal meetings).
24. When printing APPs, SPs, Annual Reports, etc., the use of colour pages to be minimised and lighter weight of pages and covers to be used. Feasibility of using electronic distribution (e.g. compact discs) to be looked at to reduce costs. Gold and silver embossed letterheads may not be used.
25. No bottled water may be procured for meetings, etc. Where it is not practically possible to provide water in jugs, Provincial Treasury approval must be sought.
26. All newspapers and other publications purchased for employees must be discontinued. Such purchases must be limited in line with National Treasury's Instruction Note.

Travelling related:

27. S&T – only essential trips to be undertaken.
28. Monthly mileage restrictions to be adhered to and officials to use one hired car for meetings outside KZN (synergy between departments attending same meetings).
29. Responsibility managers to ensure co-ordinated travel to reduce costs, and officials to travel together unless absolutely unavoidable.
30. Meetings and workshops to be held where the majority of the officials reside/work (50 per cent + 1).
31. Departments and public entities to develop an integrated annual calendar so that meetings and workshops are properly co-ordinated to reduce travel costs.
32. Meetings need to start at reasonable time to reduce need to sleep over. Unnecessary overnight accommodation needs to be cut down.
33. Assessment to be done between road travel to end destination vs distance to airport (e.g. cheaper for a person from Newcastle to travel to Johannesburg by road than to drive to Durban to take flight to Johannesburg).
34. Overseas trips to be rationalised with the number of delegates being kept to a minimum.
35. Business class travel only for MECs and HODs (and MPLs, where applicable).
36. Car hire bookings – class of vehicle to be lowered.
37. Kilometre controls to be implemented on travelling (average of 2 500 kilometres per month per official unless there are exceptional circumstances – exceptions to be approved by the HOD).
38. Departments and public entities to plan meetings carefully and rationalise the number of meetings held (it seems that staff from regions/districts are sometimes called to head office meetings organised by different units on various different days, requiring them to travel to and from the regions/districts frequently. These meetings must be co-ordinated and planned between the various units to reduce the wastage of time and money).

39. Where there are one-day meetings in other provinces, officials to travel there and back on the same day (where possible).

Events related (including workshops/meetings, etc.):

40. No. of service delivery events held by departments and public entities must be strictly kept at no more than 24 per annum, as approved by the Provincial Executive Council (for an event with 3 500 community members, this event should not cost more than R1 million to host. For events where 1 500 to 2 000 community members attend, these events may not cost more than R500 000 – R700 000 per event). The cost per event to be adhered to, as per guidelines given. Requests for events must reach Provincial Treasury five (5) working days before the event is planned to take place to allow sufficient time for Provincial Treasury to assess the requests, and should be accompanied by the following:

- Three quotations.
- Date of the event.
- Venue of the event.

Total cost of the event – with the breakdown cost of each item. The submission should be reviewed by the CFO's office before forwarding to Provincial Treasury for approval.

41. Musicians and other performing artists to be sourced from a database administered by the Department of Arts and Culture (DAC). The Arts Development unit can be contacted on 033 – 341 3608/09 in this regard. DAC will ensure that the rate charged by the musicians and performing artists falls in line with the rates set out in Provincial Government's "Departmental Honoraria and Special Payment Policy". While the artists will be selected by DAC, the payment to these artists is the responsibility of the department or public entity requesting the services of the artist/s. Provincial Treasury will ensure that the amount to be paid to the artist/s falls in line with the policy when departments submit the request for an event to be held to Provincial Treasury.
42. No tracksuits, t-shirts, caps, bags or other promotional materials to be purchased or handed out at events (exceptions to be approved by Provincial Treasury).
43. Departments to share databases for government and community venues to minimise use of private venues.
44. Marquees and catering costs for events to be reduced through timeous procurement (departments should end fixed contracts with just one service provider – look at panel of event co-ordinators instead).
45. Proper planning of events to be undertaken to reduce costs. Core planning team to co-ordinate all events in the department to ensure value for money.
46. Number of departmental/public entity officials attending events to be kept at an absolute minimum.
47. Internal meetings, strategic planning sessions and workshops to be held in departments' and public entities' offices instead of private venues (exceptions to be approved by Provincial Treasury). Where Provincial Treasury approval is requested, proof must be given that all other avenues have been exhausted before a private venue will be approved.
48. External meetings, workshops and events to be held in government facilities instead of private venues (exceptions to be approved by Provincial Treasury). Use of marquees to only be considered where such events could not be held in municipal halls, school halls, FET College facilities, etc. Where Provincial Treasury approval is being requested, proof must be provided that all other avenues have been exhausted before a private venue will be approved.
49. No team building exercises or year-end/Christmas functions to be held (only permitted if paid for by the staff themselves).

3. BUDGET PROCESS AND MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF)

3.1 The 2018/19 MTEF budget process in brief

3.1.1 Treasury Guidelines

The 2018/19 MTEF budget process began with the Treasury Guidelines workshop. KZN's budget was cut again over the MTEF due to data updates of the PES formula, as well as National Treasury's continued roll-out of the fiscal consolidation programme. Fiscal consolidation cuts are also effected against the conditional grant allocation. A Finance *Lekgotla* was held on 7 February 2018 where it was determined that the PES budget cuts would be effected proportionately against all Votes in 2018/19 (but with the cut to be effected in the 2018/19 Adjustments Estimate), while the 2019/20 and 2020/21 budget cuts were offset by the Contingency Reserve exceeding R650 million in those two years and this excess amount was therefore used to absorb the budget cuts. It was decided to effect these budget cuts in the 2018/19 Adjustments Estimate due to the lateness of finalising the provincial budget, as well as the magnitude of the budget cuts. This gives departments ample time to decide on how to effect the budget cuts. National Treasury is adding some funds to the provincial baseline for Social Development, as well as an allocation in the outer year to provide for the wage agreement.

3.1.2 Initiative measurement criteria

The measurement tool used in prior budget processes was again used to assess requests for additional funding, as an indication of whether requests for additional funding should be supported in principle, or not. Each initiative was therefore rated against the following six criteria:

- Evidence that the initiative contributes to government policy priorities, as well as being clearly aligned to the PGDP/Poverty Eradication Master Plan (PEMP).
- Alignment of the initiative to the core functions of the department/public entity.
- Evidence of credible service delivery information.
- Is the costing/initiative realistic?
- Was there adequate political involvement in the budget formulation process?
- Evidence that the department/public entity underwent thorough reprioritisation with a view to fund part of the initiative from within its budget.

In terms of the rating exercise, each of the criteria translated to '2' points if complied with, and a '0' if not. An initiative therefore could score a maximum of 12 points or 100 per cent. The Medium-Term Expenditure Committee (MTEC) then reviewed each and every funding request. These requests were discussed further at the Finance *Lekgotla* but, due to the budget cuts, there was no additional funding available to allocate to any of these initiatives.

3.1.3 Allocation process

In September 2017, MTEC met with various provincial departments and public entities who had submitted initiatives for funding. In terms of the FMPPLA, the KZN Legislature is not required to submit additional funding requests to Provincial Treasury *via* the MTEC process. Instead, the KZN Legislature's additional funding requirements were discussed between the Speaker and the MEC for Finance. This meeting was informed by inputs provided by both Legislature and Provincial Treasury officials. MTEC indicated that the meetings were taking place during difficult economic times and that further fiscal consolidation cuts were very likely.

National Treasury advised that they are adding some funds to the provincial baseline for Social Development, with a total of R92.630 million being allocated over the MTEF towards the impact that the NAWANGO Court Case Judgment taken in the Free State could have on the other provinces. Also, R165.970 million is allocated over the MTEF towards the prevention and early intervention programmes

to fight violence against women and children. National Treasury provides an amount of R2.031 billion in 2020/21 for the carry-through costs of the wage agreement and this was used partially to offset the budget cut in the outer year, while the balance was allocated proportionately to all Votes.

Table 3.1 indicates the requests for additional funding as submitted as part of the 2018/19 MTEF process.

Table 3.1 : Summary of additional funding requested by departments and public entities

R thousand	Amounts requested			
	2018/19	2019/20	2020/21	Total
1. Office of the Premier	17 900	-	-	17 900
2. Provincial Legislature	83 535	117 953	101 540	303 028
3. Agriculture and Rural Development	148 300	186 589	282 743	617 632
4. Economic Development, Tourism & Enviro. Affairs	312 826	38 912	38 912	390 650
5. Education	509 800	509 800	509 800	1 529 400
6. Provincial Treasury	-	-	-	-
7. Health	314 000	139 000	121 000	574 000
8. Human Settlements	-	-	-	-
9. Community Safety and Liaison	22 016	9 200	9 400	40 616
10. Sport and Recreation	157 222	97 222	97 222	351 666
11. Co-operative Governance and Traditional Affairs	60 236	42 230	52 384	154 850
12. Transport	506 563	470 221	268 313	1 245 097
13. Social Development	18 702	-	-	18 702
14. Public Works	20 000	220 000	239 000	479 000
15. Arts and Culture	3 764	3 952	4 148	11 864
Total	2 174 864	1 835 079	1 724 462	5 734 405

Note: The public entities' requests are included in their parent departments' totals

With the exception of Provincial Treasury and the Department of Human Settlements (DOHS), all departments submitted requests for additional funds. While Office of the Premier (OTP) and Economic Development, Tourism and Environmental Affairs (EDTEA) did not submit initiatives, entities under these departments submitted requests for funding resulting in amounts reflected against these departments in Table 3.1. The total amount requested was R2.175 billion, R1.835 billion and R1.724 billion over the MTEF. Many of the requests for additional funding were based on sound principles and fared well when assessed in terms of the criteria mentioned above. Unfortunately, due to the budget cuts, none of the initiatives received additional funding.

3.2. Provincial fiscal framework

Table 3.2 summarises the provincial fiscal framework for the 2018/19 MTEF budget. The PES formula was updated with new data as described in Chapter 4 of this *OPRE*. The impact of this is a 0.1 per cent reduction of KZN's share of the PES and the province thus loses R216.033 million, R249.029 million and R507.354 million over the MTEF.

Table 3.2 : Summary of provincial fiscal framework

R thousand	2018/19	2019/20	2020/21
1. Receipts			
Baseline allocation	122 912 369	131 629 852	137 688 095
Transfer receipts from national	119 719 335	128 320 824	134 197 070
Equitable share	99 740 600	106 840 842	112 717 088
Conditional grants	19 978 735	21 479 982	21 479 982
Provincial own receipts	3 193 034	3 309 028	3 491 025
Increase / (Decrease) in allocation	(659 215)	(1 687 296)	1 594 535
Transfer receipts from national	(702 619)	(1 727 874)	1 611 948
Equitable share	(476 919)	(477 340)	1 280 588
Conditional grants	(225 700)	(1 250 534)	331 360
Provincial own receipts	43 404	40 578	(17 413)
Revised allocation	122 665 708	130 045 316	139 308 538
Transfer receipts from national	119 016 716	126 592 950	135 809 018
Equitable share (after update of formula data & fiscal consolidation cuts)	99 263 681	106 363 502	113 997 676
Conditional grants	19 753 035	20 229 448	21 811 342
Provincial own receipts	3 236 438	3 349 606	3 473 612
Provincial cash resources	412 554	102 760	25 908
2. Planned spending by departments	122 491 654	129 300 386	138 658 538
3. Contingency Reserve	174 054	744 930	650 000

National Treasury indicated that they are implementing a further round of fiscal consolidation cuts to place the country's finances on a sustainable path. The fiscal consolidation reductions amount to R303.318 million, R333.621 million and R353.910 million over the MTEF.

National Treasury advised that some changes were also being made to the conditional grant allocations, largely due to the fiscal consolidation programme. At a high level, the province's conditional grant allocation shows a decrease of R225.700 million, a decrease of R1.251 billion and an increase of R331.360 million over the MTEF. While the aggregate position shows a decrease in 2018/19 and 2019/20, some grants see an increase in their allocations. The following amendments are made to the conditional grant allocation:

The **Land Care grant** sees a minor cut of R985 000 and R302 000 in 2019/20 and 2020/21, respectively.

The **Comprehensive Agriculture Support Programme (CASP) grant** reduces by R36.468 million in 2019/20 and by R22.622 million in 2020/21. The National Department of Agriculture, Forestry and Fisheries (DAFF) has decided on an approach to grow and transform the sector, including the commercialisation of black farmers that display such potential. Funds are therefore cut from the provincial CASP grants to form a fund held under DAFF. This is a co-funding model aimed to assist potential commercial farmers to leverage both public and private funds, and the exact mechanism will be communicated to provinces by DAFF.

The **Ilima/Letsema Projects grant** receives an inflationary increase of R4.139 million in 2020/21. The Department of Agriculture and Rural Development (DARD) also receives R7.308 million in 2018/19 for the **EPWP Integrated Grant for Provinces**.

EDTEA receives R3.740 million in 2018/19 with regard to the **EPWP Integrated Grant for Provinces**.

The **Education Infrastructure grant (EIG)** is cut by R57.867 million, R237.419 million and R40.730 million over the MTEF as a result of the fiscal consolidation budget cuts.

The **HIV and AIDS (Life-Skills Education) grant** is cut by R447 000 in 2018/19 and by R539 000 in 2019/20, while showing inflationary growth of R2.756 million in 2020/21.

The **National School Nutrition Programme (NSNP) grant** shows inflationary growth of R114.482 million in the outer year of the MTEF and is not affected by the fiscal consolidation cuts.

The **Maths, Science and Technology (MST) grant** is reduced by R1.777 million and R1.889 million in 2018/19 and 2019/20 while increasing marginally by R552 000 in 2020/21.

The **Learners with Profound Intellectual Disabilities grant** was first introduced in 2017/18 and now receives increases of R12.491 million, R15.734 million and R18.041 million over the MTEF. The Department of Basic Education (DBE) amended provincial allocations to ensure that allocations between provinces reflect the actual burden of learners needing the services provided for by the grant. DOE receives funds in 2018/19 for the **EPWP Integrated Grant for Provinces** (R2 million), and the **Social Sector EPWP Incentive Grant for Provinces** (R27.004 million).

The **Health Professions Training and Development grant** sees an inflationary increase of R20.397 million in 2020/21.

The **Health Facility Revitalisation grant** sees an increase of R74.462 million in 2018/19, a decrease in 2019/20 of R38.137 million and an increase of R25.281 million in 2020/21. Some fiscal consolidation cuts were effected but, on the other hand, KZN benefits from the incentive nature of this grant in 2018/19.

The **National Tertiary Services grant** and the **Human Papillomavirus Vaccine (HPV) grant** see inflationary increases of R126.975 million and R2.612 million in 2020/21, respectively.

The **Comprehensive HIV, AIDS and TB grant** increases over the MTEF by R191.344 million, R2.544 million and R589.999 million. National Treasury indicated that a new grant component has been added to this grant, namely the Community Outreach Services component and this is covered in more detail in Vote 7: Health's chapter.

The Department of Health (DOH) also receives funds in 2018/19 for the **EPWP Integrated Grant for Provinces** (R8.896 million), and the **Social Sector EPWP Incentive grant** (R24.182 million).

The **Human Settlements Development grant (HSDG)** sees a reduction of R578.274 million, R698.886 million and R465.806 million, partly due to fiscal consolidation cuts and partly due to the creation of two new grants in the sector, namely the **Title Deeds Restoration grant (TDRG)** and the Emergency Housing grant (held by the national DOHS). The **TDRG** is a new grant and receives R101.422 million, R107.140 million and R113.028 million over the MTEF. These funds were previously ring-fenced in the HSDG for the eradication of backlogs in title deeds registration. Human Settlements receives R11.484 million in 2018/19 for the **EPWP Integrated Grant for Provinces**.

Community Safety and Liaison receives R10.321 million in 2018/19 for the **Social Sector EPWP Incentive Grant for Provinces**.

The **Mass Participation and Sport Development (MPSD) grant** sees a fiscal consolidation cut of R33.292 million, R33.575 million and R26.840 million over the 2018/19 MTEF.

Sport and Recreation receives an allocation in 2018/19 with respect to the **EPWP Integrated Grant for Provinces** (R2 million) and the **Social Sector EPWP Incentive Grant for Provinces** (R1.412 million).

Co-operative Governance and Traditional Affairs (COGTA) receives R4.552 million in 2018/19 for the **EPWP Integrated Grant for Provinces**.

The **Provincial Roads Maintenance grant (PRMG)** sees a reduction of R106.254 million, R297.991 million and R200.752 million over the 2018/19 MTEF. The sector took a decision to protect the Public Transport Operations grant from budget cuts as far as possible, with the sector's fiscal consolidation cuts therefore predominantly effected against the PRMG.

The **Public Transport Operations grant (PTOG)** thus sees fairly minor reductions of R15.353 million in 2018/19 and R16.212 million in 2019/20, while growing by R62.051 million in 2020/21.

The Department of Transport (DOT) receives R76.562 million in 2018/19 for the **EPWP Integrated Grant for Provinces**.

The **Early Childhood Development (ECD) grant** came into effect from 2017/18 and now sees a reduction of R4.804 million and R5.073 million in 2018/19 and 2019/20, while increasing by R2.534 million in 2020/21. The budget cuts are effected as a result of fiscal consolidation. This grant has two components, namely a Maintenance Component and a Subsidy Component.

The **Social Worker Employment grant** was first introduced in 2017/18 and now receives an inflationary allocation of R4.188 million in the outer year of the MTEF.

The Department of Social Development (DSD) receives R13.490 million in 2018/19 for the **Social Sector EPWP Incentive Grant for Provinces**.

The Department of Public Works (DOPW) receives R6.023 million in 2018/19 for the **EPWP Integrated Grant for Provinces**.

The **Community Library Services grant** sees a fiscal consolidation reduction of R8.325 million and R8.778 million in 2018/19 and 2019/20, respectively, while increasing by R1.377 million in 2020/21.

DAC receives R2 million in 2018/19 for the **EPWP Integrated Grant for Provinces**.

Various provincial priorities that were allocated additional funding when the 2017/18 Adjustments Estimate was tabled, but with the understanding that these would receive the additional funds over the 2018/19 MTEF, are shown in Table 3.2.1. Details of the additional allocations over the 2018/19 MTEF, per department, are provided in Table 3.4 in Section 3.3.2. This table indicates the amounts allocated to departments in addition to their baseline allocations, from provincial cash resources.

Table 3.2.1 : Provincial priorities funded using provincial cash resources

Description	2018/19	2019/20	2020/21
Funded from 2016/17 Net Financial Position	61 440	128 112	-
V2: Zero-base adjustment	-	34 569	-
V9: Carry-through for new structure	8 515	-	-
V15: Archive Repository	52 925	93 543	-
2016/17 Main Budget	55 082	-	-
V1: Poverty Eradication Master Plan	12 919	-	-
V2: Zero-base budget adjustment	32 923	-	-
V4: Rhino anti-poaching	9 240	-	-
In 2017/18 MTEF	821	879	-
V1: KZNGBB offices	821	879	-
Changes from 2017/18 Net Financial Position	295 211	(26 232)	25 908
V15: Archive rescheduling	(52 925)	(93 543)	-
V15: Archive rescheduling	73 130	67 311	25 908
V15: Arts Academy rescheduled and change in purpose (Winston Churchill Theatre)	18 500	-	-
V15: Arts Academy rescheduled and change in purpose (Ladysmith Black Mambazo Music Academy)	13 000	-	-
V13: Suspension from 17/18 for infrastructure, IT initiative and tools of trade	55 000	-	-
V5: Disaster relief Sept 2017 wind storms	20 000	-	-
V5: Disaster relief October 2017 flooding	63 800	-	-
V7: Disaster relief October 2017 flooding	50 450	-	-
V6: Treasury/ Health assistance plan	15 500	-	-
V7: Treasury/ Health assistance plan	38 756	-	-
Total	412 554	102 759	25 908

3.3 Summary of additional allocations for the 2018/19 MTEF

3.3.1 Existing growth in the 2017/18 MTEF baseline allocation

Table 3.3 shows the baseline budgets for the 2017/18 MTEF before any changes made as part of the 2018/19 budget process. This serves as a reminder that all departments' baselines for the MTEF showed positive rates of growth, although this may differ in terms of level.

Table 3.3 : Existing growth rates in 2017/18 MTEF baseline budgets

R thousand	Main Appropriation	Medium-term baseline budgets			Ann. % growth 17/18-20/21
	2017/18	2018/19	2019/20	2020/21	
1. Office of the Premier	742 125	787 137	822 568	867 813	5.4
2. Provincial Legislature	535 300	565 214	600 520	633 549	5.8
3. Agriculture and Rural Development	2 197 144	2 316 800	2 467 494	2 584 959	5.6
4. Economic Development, Tourism & Enviro. Affairs	2 784 403	3 005 556	3 180 694	3 355 632	6.4
5. Education	47 476 599	50 631 848	53 791 211	56 771 455	6.1
6. Provincial Treasury	607 844	636 900	677 272	714 522	5.5
7. Health	39 548 473	41 959 574	44 992 728	46 938 428	5.9
8. Human Settlements	3 843 870	4 112 605	4 379 544	4 401 849	4.6
9. Community Safety and Liaison	204 486	214 628	228 047	240 590	5.6
10. Sport and Recreation	463 590	481 833	510 277	530 729	4.6
11. Co-operative Governance and Traditional Affairs	1 585 226	1 673 030	1 777 022	1 874 758	5.8
12. Transport	9 847 024	10 313 722	10 970 256	11 164 388	4.3
13. Social Development	3 041 364	3 181 765	3 382 158	3 558 213	5.4
14. Public Works	1 506 951	1 581 909	1 681 234	1 773 702	5.6
15. Arts and Culture	874 068	917 191	1 010 819	967 719	3.5
Total	115 258 467	122 379 712	130 471 844	136 378 306	5.8

3.3.2 Summary of changes to baselines

The additional provincial equitable share allocations to departments and any budget cuts are summarised in Table 3.4. The 2018/19 budget cuts are not included in this table, though, as departments will only be effecting these in the 2018/19 Adjustments Estimate. The detail can be found under each Vote's chapter in the *EPRE*.

Table 3.4 : Summary of changes to allocations, 2018/19 MTEF

	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
	R thousand			Percentage share		
Vote 1 : Office of the Premier	-	-	6 886	-	-	0.4
Addition for above-budget wage agreement	-	-	6 886	-	-	0.4
Vote 2 : Provincial Legislature	-	-	7 248	-	-	0.4
Addition for above-budget wage agreement	-	-	7 248	-	-	0.4
Vote 3 : Agriculture and Rural Development	-	-	25 188	-	-	1.3
Addition for above-budget wage agreement	-	-	25 188	-	-	1.3
Vote 4 : Economic Development, Tourism & Enviro. Affairs	-	-	7 611	-	-	0.4
Addition for above-budget wage agreement	-	-	7 611	-	-	0.4
Vote 5 : Education	290 430	218 201	1 244 256	86.0	275.9	63.8
Learner Transport function shift from Transport	206 630	218 201	230 202	61.2	275.9	11.8
Disaster relief - Wind storms in September 2017	20 000	-	-	5.9	-	-
Disaster relief - Flooding of 10 October 2017	63 800	-	-	18.9	-	-
Addition for above-budget wage agreement	-	-	1 014 054	-	-	52.0
Vote 6 : Provincial Treasury	14 000	-	6 886	4.1	-	0.4
Susp. of Mandela Day Marathon to Vote 11	(1 500)	-	-	(0.4)	-	-
Treasury/ Health assistance plan	15 500	-	-	4.6	-	-
Addition for above-budget wage agreement	-	-	6 886	-	-	0.4
Vote 7 : Health	89 206	-	620 284	26.4	-	31.8
Treasury/ Health assistance plan	38 756	-	-	11.5	-	-
Disaster relief - Flooding of 10 October 2017	50 450	-	-	14.9	-	-
Addition for above-budget wage agreement	-	-	620 284	-	-	31.8
Vote 8 : Human Settlements	-	-	8 336	-	-	0.4
Addition for above-budget wage agreement	-	-	8 336	-	-	0.4
Vote 9 : Community Safety and Liaison	-	-	2 175	-	-	0.1
Addition for above-budget wage agreement	-	-	2 175	-	-	0.1
Vote 10 : Sport and Recreation	-	-	3 081	-	-	0.2
Addition for above-budget wage agreement	-	-	3 081	-	-	0.2
Vote 11 : Co-operative Governance and Traditional Affairs	1 500	-	16 309	0.4	-	0.8
Susp. of Mandela Day Marathon from Vote 6	1 500	-	-	0.4	-	-
Addition for above-budget wage agreement	-	-	16 309	-	-	0.8
Vote 12 : Transport	(206 630)	(218 201)	(191 604)	(61.2)	(275.9)	(9.8)
Learner Transport function shift to Education	(206 630)	(218 201)	(230 202)	(61.2)	(275.9)	(11.8)
Addition for above-budget wage agreement	-	-	38 598	-	-	2.0
Vote 13 : Social Development	97 431	105 309	145 833	28.9	133.2	7.5
Funds from NT relating to NAWANGO Court Judgement	-	45 126	47 504	-	57.1	2.4
Funds from NT to support No Violence Against Women	42 431	60 183	63 355	12.6	76.1	3.3
Funds susp from 17/18 for infrastructure, IT initiative & tools of trade	55 000	-	-	16.3	-	-
Addition for above-budget wage agreement	-	-	34 974	-	-	1.8
Vote 14 : Public Works	-	-	15 040	-	-	0.8
Addition for above-budget wage agreement	-	-	15 040	-	-	0.8
Vote 15 : Arts and Culture	51 705	(26 233)	31 343	15.3	(33.2)	1.6
Archive Repository - remove from baseline	(52 925)	(93 544)	-	(15.7)	(118.3)	-
Archive Repository - reschedule over the MTEF	73 130	67 311	25 908	21.7	85.1	1.3
Arts Academy change in purpose - Winston Churchill Theatre	18 500	-	-	5.5	-	-
Arts Academy change in purpose - Ladysmith Black Mambazo Music Acad.	13 000	-	-	3.9	-	-
Addition for above-budget wage agreement	-	-	5 435	-	-	0.3
Total	337 642	79 076	1 948 872	100.0	100.0	100.0

Table 3.5 shows the revised budgets of departments for the 2018/19 MTEF, after taking into account the adjustments to the allocations mentioned above, as well as changes in respect of conditional grants. The provincial budget grows by 6.3 per cent in 2018/19 (excluding the budget cut of R475.947 million) from the 2017/18 Main Appropriation. The high growth in DOE and relatively low growth in DOT from 2017/18 to 2018/19 is as a result of the Learner Transport function shift between these two departments.

Table 3.5 : Summary of revised budgets by department, 2018/19 MTEF

	Main Appropriation	Medium-term Estimates			Annual Percentage Growth		
R thousand/ percentage	2017/18	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
1. Office of the Premier	742 125	787 137	822 568	874 699	6.1	4.5	6.3
2. Provincial Legislature	535 300	565 214	600 520	640 797	5.6	6.2	6.7
3. Agriculture and Rural Development	2 197 144	2 324 108	2 430 041	2 591 362	5.8	4.6	6.6
4. Economic Development, Tourism and Environmental Affairs	2 784 403	3 009 296	3 180 694	3 363 243	8.1	5.7	5.7
5. Education	47 476 599	50 903 682	53 785 299	57 880 610	7.2	5.7	7.6
6. Provincial Treasury	607 844	650 900	677 272	721 408	7.1	4.1	6.5
7. Health	39 548 473	42 347 664	44 957 135	48 323 976	7.1	6.2	7.5
8. Human Settlements	3 843 870	3 647 237	3 787 798	4 057 407	(5.1)	3.9	7.1
9. Community Safety and Liaison	204 486	224 949	228 047	242 765	10.0	1.4	6.5
10. Sport and Recreation	463 590	451 953	476 702	506 970	(2.5)	5.5	6.3
11. Co-operative Governance and Traditional Affairs	1 585 226	1 679 082	1 777 022	1 891 067	5.9	5.8	6.4
12. Transport	9 847 024	10 062 047	10 437 852	11 064 285	2.2	3.7	6.0
13. Social Development	3 041 364	3 287 882	3 482 394	3 710 768	8.1	5.9	6.6
14. Public Works	1 506 951	1 587 932	1 681 234	1 788 742	5.4	5.9	6.4
15. Arts and Culture	874 068	962 571	975 808	1 000 439	10.1	1.4	2.5
Total	115 258 467	122 491 654	129 300 386	138 658 538	6.3	5.6	7.2

4. RECEIPTS

4.1 National Fiscal Framework and Division of Revenue for the 2018/19 MTEF

4.1.1 Background

Section 214(1) of the Constitution requires that the equitable division of nationally raised revenue between national government, the nine provinces and all municipalities be determined annually in the Division of Revenue Act (DORA). This process takes into account the powers and functions assigned to each sphere of government, as well as various factors, including national interest, debt provision, resource allocation for basic services and developmental needs, fiscal capacity and efficiency of government, obligations of national legislation, economic disparities, stability and predictability, among others.

The Intergovernmental Fiscal Relations (Act No. 97 of 1997) prescribes the process for determining the equitable sharing and allocation of nationally raised revenue and sets out the consultation process to be followed, including consideration of recommendations made by the Financial and Fiscal Commission. In terms of this Act, the Division of Revenue Bill must be tabled when the annual budget is tabled in the National Assembly.

4.1.2 Division of revenue and fiscal framework

4.1.2.1 Fiscal policy and trends

The fiscal objectives over the MTEF continue to focus on reducing the budget deficit, stabilising growth of debt as a share of GDP and adhering to the planned expenditure ceiling. The budget sets out a programme of expenditure cuts of R85 billion over the MTEF, and reprioritises spending programmes that help the poor, contribute to growth and generate employment. The 2018/19 budget proposes major spending adjustments and tax measures, including a value-added tax increase expected to raise an additional R36 billion in 2018/19 and, together with faster economic growth, these measures serve to reduce the budget deficit from 4.3 per cent of GDP in 2017/18 to 3.5 per cent in 2020/21. The budget also responds to new policy initiatives, including an allocation of R57 billion for fee-free higher education.

4.1.2.2 Division of revenue

The 2018/19 MTEF strikes a balance between the need to make reductions to accommodate the lower expenditure ceiling, and the need to ensure real growth in transfers to provinces and municipalities so that they can provide services to growing populations. These allocations take into account government's spending priorities, each sphere's revenue-raising capacity and responsibilities, and input from various intergovernmental forums and the Financial and Fiscal Commission.

Table 4.1 sets out the division of nationally raised revenue between the three spheres of government.

Excluding debt-service costs and the Contingency Reserve, allocated expenditure shared between the three spheres amounts to R1.318 trillion, R1.425 trillion and R1.531 trillion over the MTEF. Reductions to the PES baselines were minimised, and the biggest cuts were effected against poor performing conditional grants and infrastructure grants that can absorb a delay in the implementation of projects.

In 2018/19, national departments receive 47.7 per cent of available funds, provinces 43.3 per cent and local government 9 per cent. At R599.886 billion in 2017/18, and increasing to R736.551 billion in 2020/21, national departments continue to receive the largest share of funding to support sustained real growth in social grant provisions, public infrastructure and employment programmes. The provincial share decreases from 43.1 per cent in 2017/18 to 42.9 per cent in 2020/21, whereas the local government share increases from 8.9 per cent in 2017/18 to 9 per cent in 2020/21.

Table 4.1 : Division of revenue between spheres of government, 2014/15 – 2020/21

R million	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
National departments	489 987	546 065	555 738	599 886	628 621	685 927	736 551
Of which:							
Indirect transfers to provinces	5 413	3 458	3 636	3 813	3 776	4 366	4 744
Indirect transfers to local government	8 052	10 370	8 112	7 803	6 896	7 265	7 664
Provinces	439 544	471 424	500 384	538 160	570 997	611 758	657 455
Equitable share	359 922	386 500	410 699	441 331	470 287	505 020	542 447
Conditional grants	79 623	84 924	89 685	96 829	100 711	106 739	115 008
Local government	87 570	98 338	102 867	110 728	118 458	126 914	137 462
Equitable share	41 592	49 367	50 709	55 312	62 732	68 973	75 683
Conditional grants	35 788	38 313	40 934	43 631	43 258	44 773	47 752
General fuel levy sharing with metros	10 190	10 659	11 224	11 785	12 469	13 167	14 027
Total	1 017 102	1 115 827	1 158 989	1 248 774	1 318 076	1 424 599	1 531 468
Provisional allocation not assigned to Votes	-	-	-	-	6 000	2 308	2 125
Non-interest allocations	1 017 102	1 115 827	1 158 989	1 248 774	1 324 076	1 426 907	1 533 593
Percentage increase	7.5%	9.7%	3.9%	7.7%	6.0%	7.8%	7.5%
Debt-service costs	114 798	128 796	146 497	163 155	180 124	197 664	213 859
Contingency reserves	-	-	-	-	8 000	8 000	10 000
Main budget expenditure	1 131 900	1 244 623	1 305 486	1 411 930	1 512 200	1 632 571	1 757 452
Percentage increase	8.0%	10.0%	4.9%	8.2%	7.1%	8.0%	7.6%
Percentage shares							
National departments	48.2%	48.9%	48.0%	48.0%	47.7%	48.1%	48.1%
Provinces	43.2%	42.2%	43.2%	43.1%	43.3%	42.9%	42.9%
Local government	8.6%	8.8%	8.9%	8.9%	9.0%	8.9%	9.0%

Source: National Treasury

Table 4.2 shows how the changes to the baselines are distributed across the three spheres of government.

Table 4.2 : Changes to baselines, 2018/19 – 2019/20

R million	2018/19	2019/20	Total	% Share
National departments	(2 827)	4 327	1 500	6.3
Of which: Higher education	12 355	25 050	37 406	157.6
Provinces	(7 617)	(9 237)	(16 854)	(71.0)
Local government	(3 012)	(5 363)	(8 375)	(35.3)
Net reduction	(13 456)	(10 273)	(23 729)	-

The combined baseline decreases by R13.456 billion in 2018/19 and R10.273 billion in 2019/20, compared to indicative figures published in the 2017 Medium-term Budget Policy Statement (MTBPS). In 2018/19 and 2019/20, the provincial baseline decreases by R16.854 billion, which accounts for 71 per cent of the total reduction. National departments gain R1.500 billion over the next two years, which is the net result of a reduction in the baseline, offset by an increase to accommodate fee-free higher education. Local government baselines decline by R8.375 billion, due to fiscal consolidation.

4.1.3 Provincial Equitable Share (PES)

Provincial revenue is made up of the PES, conditional grants and Provincial Own Revenue. The PES is the main source of provincial revenue and is allocated *via* a formula using objective data. The formula is designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities.

Although the division is based on the equitable shares as outlined in Table 4.3, provinces have a prerogative to allocate funds in line with their specific provincial priorities. The formula is reviewed and updated with new data annually. For the 2018/19 MTEF, the formula was updated with data from the 2017 mid-year population estimates published by StatsSA and the 2017 preliminary data published by the DBE on school enrolment from the Learner Unit Record Information Tracking System (LURITS) database. Data from the 2016 General Household Survey (GHS) for medical aid coverage and data from the health sector and the Council for Medical Schemes' Risk Equalisation Fund for the risk-adjusted capitation index were also updated.

The formula consists of six components that capture the relative demand for services between provinces and take into account specific provincial circumstances, as outlined in Table 4.3.

Table 4.3 : Equitable share components and weighting

Component	Share (weighting) %
Education share - based on the size of the school-age population (ages 5 - 17) and the number of learners (Grade R to 12) enrolled in public ordinary schools	48
Health share - based on estimated demand for health services according to age and gender, as well as data obtained from District Health Information System	27
Basic share - derived from each province's share of the total population of the country	16
Institutional component - divided equally among the provinces	5
Poverty component - used to reinforce the redistributive bias of the formula	3
Economic activity component - based on the final GDP by Region (province) data	1

The formula is largely population-driven, hence the allocations capture shifts in population across provinces, which lead to changes in the relative demand for public services and expenditure assignments across these areas. The effect of these updates on the PES is phased in over three years (2018/19 to 2020/21), to ensure that provinces have some stability in their revenue stream to allow for proper planning. The data updates impacted as follows:

Education component (48 per cent)

The education component uses the school-age population (5 to 17 years), based on the 2011 Census age cohorts, and data from DBE's new data collection system, LURITS, which allows for data to be verified and learners' progress to be tracked, thereby improving the integrity of the data. Each of these elements is assigned a weight of 50 per cent. From 2015 to 2016, the school enrolment in KZN decreased by 4 741, resulting in the weighted average for KZN being revised downward by 0.01 per cent.

Health (27 per cent)

The health component uses a risk-adjusted capitation index, using data from the Risk Equalisation Fund and output data from public hospitals to estimate each province's share of the health component. These methods work together to balance needs (risk-adjusted capitation) and demands (output component). The percentage of the population with medical aid, as per the 2016 GHS, is deducted from the 2016 mid-year population estimates to approximate the uninsured population.

The risk-adjusted index estimates the risk health profile of each province, which is applied to the uninsured population to estimate the weighted population, which in turn, is used to estimate the province's share of the risk-adjusted sub-component. The KZN share of the risk-adjusted component, which accounts for 75 per cent of the health component, decreased from 20.9 per cent in 2017 to 20.8 per cent in 2018. The output sub-component uses patient load data from the District Health Information Services (DHIS). The average number of visits at primary healthcare clinics in 2015/16 and 2016/17 is calculated to estimate their share of this sub-component, making up 5 per cent of the health component. For hospitals, each province's share of the total patient-day equivalents from public hospitals in 2015/16 and 2016/17 is used to determine their share of this sub-component, which makes up 20 per cent of the health component. The updated data shows that KZN's output share for primary health care visits is 24 per cent and the share of the hospital workload patient-day is 23.3 per cent.

The composite result of data updates applied to the health component result in a decrease in the weighted share of 21.7 per cent in 2017 to 21.5 per cent in 2018, a reduction of 0.26 per cent.

Basic component (16 per cent)

The basic component is derived from the proportion of each province's share of the national population. For the 2018/19 MTEF, population data is drawn from the 2017 mid-year population estimates. Although the updated data shows that KZN's population decreased marginally by 2 000, the province's share of the population decreases from 19.8 per cent in 2017/18 to 19.7 per cent in 2018/19, i.e. the basic component share decreased by 0.11 per cent.

Institutional component (5 per cent)

The institutional component recognises that some costs associated with running a provincial government and providing services are not directly related to the size of the population and other factors included in the other PES components. Hence, the institutional component is distributed equally between provinces.

Poverty component (3 per cent)

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The estimated size of the poor population in each province is calculated by multiplying the

proportion in that province that fall into the poorest 40 per cent of SA households by the population figure for the province from the 2017 mid-year population estimates. The proportion of poor households in KZN from the 2010/11 Income and Expenditure Survey is 45.3 per cent. Based on the data updates, the poor population is equal to 5 019 households, which represents a weighted share of 22.2 per cent, unchanged from the previous year.

Economic activity component (1 per cent)

The economic activity component is a proxy for provincial tax capacity and expenditure assignments and, for the 2018/19 MTEF, 2016 GDP-R data is used. KZN's weighted share of the economic activity component declines by 0.12 per cent, from 16.1 per cent to 16 per cent.

Phasing in of changes to the data updates

Table 4.4 shows the full impact of the data updates on the PES per province. It compares the shares for the 2017/18 and 2018/19 MTEF periods.

Table 4.4 : Full impact of data updates on the equitable share

	2017/18 MTEF weighted	2018/19 MTEF weighted	Difference
Eastern Cape	14.0%	13.7%	-0.30%
Free State	5.6%	5.6%	-0.01%
Gauteng	19.8%	20.1%	0.31%
KwaZulu-Natal	21.1%	21.0%	-0.10%
Limpopo	11.7%	11.7%	-0.02%
Mpumalanga	8.1%	8.2%	0.07%
Northern Cape	2.7%	2.7%	0.00%
North West	6.9%	6.9%	0.00%
Western Cape	10.1%	10.1%	0.05%
Total	100.0%	100.0%	0.00%

Due to changes in the data used in the PES formula, the weighted average share of KZN decreased by 0.1 per cent from the 2017/18 to the 2018/19 MTEF. To mitigate the impact of annual data updates on the PES, the new shares are phased-in, as mentioned. Table 4.5 shows that KZN receives 21 per cent of the PES in 2020/21, down from the indicative 21.1 per cent in 2017/18.

Table 4.5 : Implementation of the equitable share weights, 2018/19 – 2020/21

Percentage	2018/19 Indicative weighted shares from 2017/18 MTEF	2018/19 2018/19 MTEF weighted shares	2019/20 3-year phasing	2020/21
Eastern Cape	14.0%	13.9%	13.8%	13.7%
Free State	5.6%	5.6%	5.6%	5.6%
Gauteng	19.7%	19.9%	20.0%	20.1%
KwaZulu-Natal	21.2%	21.1%	21.1%	21.0%
Limpopo	11.7%	11.7%	11.7%	11.7%
Mpumalanga	8.2%	8.2%	8.2%	8.2%
Northern Cape	2.7%	2.7%	2.7%	2.7%
North West	6.9%	6.9%	6.9%	6.9%
Western Cape	10.1%	10.1%	10.1%	10.1%
Total	100.0%	100.0%	100.0%	100.0%

Table 4.6 reflects the weighted share distribution of each of the PES formula's components, given the weighted average share of 21 per cent for KZN when the data updates are implemented fully over the 2018/19 MTEF.

Table 4.6 : Distributing the equitable shares by province, 2018/19 MTEF

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
	48%	27%	16%	3%	1%	5%	100%
Eastern Cape	14.9%	13.1%	12.1%	15.6%	7.8%	11.1%	13.7%
Free State	5.3%	5.2%	5.1%	5.2%	5.1%	11.1%	5.6%
Gauteng	18.1%	22.4%	24.7%	17.7%	34.1%	11.1%	20.1%
KwaZulu-Natal	22.3%	21.5%	19.7%	22.2%	16.0%	11.1%	21.0%
Limpopo	13.1%	10.2%	10.3%	13.5%	7.2%	11.1%	11.7%
Mpumalanga	8.4%	7.4%	7.8%	9.2%	7.5%	11.1%	8.2%
Northern Cape	2.3%	2.1%	2.1%	2.2%	2.1%	11.1%	2.7%
North West	6.5%	6.7%	6.8%	8.1%	6.5%	11.1%	6.9%
Western Cape	9.1%	11.4%	11.4%	6.2%	13.6%	11.1%	10.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The phase-in mechanism provides a smooth path to achieving these new weighted shares by the third year of the MTEF. It takes the difference between the target weighted share for each province at the end of the MTEF and the indicative allocation for 2018/19 that was published in the 2017/18 MTEF, and closes the gap between these shares by a third in each year of the 2018/19 MTEF.

Table 4.7 depicts the revisions to the KZN PES for the 2018/19 MTEF. The PES is revised upward by a total of R326.326 million, which is the net effect of adjustments to the baseline due to data updates, fiscal consolidation cuts, plus Social Development and wage inflation additions to the PES.

Table 4.7 : Revisions to the KZN PES – 2018/19 MTEF

R thousand	2018/19 MTEF			Total Revisions
	2018/19	2019/20	2020/21	
PES as per 2017/18 MTEF allocation letter	99 740 600	106 840 842	112 717 088	319 298 530
Adjustments to baseline due to data updates in PES formula (phased-in)	(216 033)	(249 029)	(507 354)	(972 416)
Less: Fiscal consolidation cuts to PES	(303 318)	(333 621)	(353 910)	(990 849)
Total: Technically adjusted PES before adjustments to baselines	99 221 249	106 258 192	111 855 824	317 335 265
Adjustments to baseline	42 431	105 309	2 141 851	2 289 591
Plus: Social Development related, NAWANGO Court Case Judgement	-	45 126	47 504	92 630
Plus: Social Development related, No Violence Against Women	42 431	60 183	63 355	165 969
Plus: Baseline adjustment for wage inflation	-	-	2 030 992	2 030 992
Total PES for 2018/19 MTEF	99 263 681	106 363 502	113 997 676	319 624 856
Variance 2017/18 MTEF vs 2018/19 MTEF	(476 919)	(477 340)	1 280 588	326 326

Adjustment to baseline due to impact of data updates in the PES formula (R972.416 million)

As discussed, the PES formula has been updated with new data. The new shares are phased in over three years. The impact of these data updates is a reduction of KZN's share of the PES of R216.033 million, R249.029 million and R507.354 million over the 2018/19 MTEF.

Fiscal framework reductions to PES (R990.849 million)

National Treasury implemented a further round of fiscal consolidation cuts, largely due to the 2017/18 budget being informed by weak economic growth. The fiscal consolidation cuts amount to R303.318 million, R333.621 million and R353.910 million over the MTEF.

Adjustment to baseline to accommodate new priorities (R258.599 million)

New priorities requiring additions for social spending necessitated additions to the budget. As such, DSD receives R45.126 million and R47.504 million in 2019/20 and 2020/21 to ensure adequate funding for services needed as identified during the NAWANGO court case judgement. Also, amounts of R42.431 million, R60.183 million and R63.355 million were allocated over the MTEF toward the prevention and early intervention programmes to fight the abuse of women and children.

Adjustment for wage inflation

The province receives an additional R2.031 billion in 2020/21 to compensate for wage inflation.

Total transfers to provinces

Table 4.8 reflects total transfers to the nine provinces for 2018/19, after the revisions. KZN receives the highest share of PES at R99.264 billion, whereas GP receives the highest share of conditional grants. Overall, KZN is still the biggest recipient of transfer funding from national government, with a total of R119.017 billion in 2018/19.

Table 4.8 : Total transfers to provinces, 2018/19

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	65 500	11 263	76 763
Free State	26 178	7 561	33 739
Gauteng	93 384	21 511	114 895
KwaZulu-Natal	99 264	19 753	119 017
Limpopo	55 179	8 544	63 723
Mpumalanga	38 468	7 937	46 404
Northern Cape	12 475	4 387	16 862
North West	32 392	7 467	39 859
Western Cape	47 447	11 904	59 351
Unallocated	-	384	384
Total	470 287	100 711	570 997

4.1.4 Conditional grants to provinces

Table 4.9 reflects the conditional grant baseline allocations at a national level for 2018/19 to 2020/21.

Table 4.9 : Conditional grants to provinces 2017/18 – 2020/21

R million	Revised Est.	Medium-term Estimates			MTEF total
	2017/18	2018/19	2019/20	2020/21	
Agriculture, Forestry and Fisheries	2 242	2 381	2 542	2 704	7 627
Comprehensive Agriculture Support Programme grant	1 646	1 751	1 876	2 002	5 629
Ilima/Letsema Projects grant	522	552	583	615	1 751
Land Care grant	74	78	82	87	247
Arts and Culture	1 420	1 424	1 501	1 584	4 509
Community Library Services grant	1 420	1 424	1 501	1 584	4 509
Basic Education	17 154	17 519	18 369	20 089	55 977
Education Infrastructure grant	10 046	9 918	10 314	11 467	31 699
HIV and AIDS (Life-Skills Education) grant	245	243	257	271	771
Learners with Profound Intellectual Disabilities grant	72	185	221	243	649
Maths, Science and Technology grant	365	370	391	413	1 175
National School Nutrition Programme grant	6 426	6 802	7 186	7 696	21 684
Co-operative Governance	123	124	131	138	393
Provincial Disaster Relief grant	123	124	131	138	393
Health	37 570	41 123	44 423	48 212	133 758
Comprehensive HIV, AIDS and TB grant	17 578	19 922	22 039	24 438	66 399
Health Facility Revitalisation grant	5 684	5 816	6 047	6 380	18 242
Health Professions Training and Development grant	2 632	2 784	2 940	3 102	8 827
Human Papillomavirus Vaccine grant	-	200	211	223	634
National Tertiary Services grant	11 676	12 401	13 186	14 069	39 655
Human Settlements	19 969	18 945	19 657	20 975	59 577
Human Settlements Development grant	19 969	18 167	18 833	20 102	57 101
Title Deeds Restoration grant	-	519	548	578	1 644
Provincial Emergency Housing grant	-	260	277	295	832
Public Works	781	824	882	931	2 637
EPWP Integrated Grant for Provinces	396	416	452	476	1 344
Social Sector EPWP Incentive Grant for Provinces	386	408	431	454	1 293
Social Development	556	758	806	859	2 423
Substance Abuse Treatment grant	57	71	75	79	225
Early Childhood Development grant	318	491	518	553	1 562
Social Worker Employment grant	182	197	213	227	636
Sport and Recreation	586	587	620	654	1 861
Mass Participation and Sport Development grant	586	587	620	654	1 861
Transport	16 477	17 026	17 807	18 862	53 696
Provincial Roads Maintenance grant	10 754	11 036	11 482	12 113	34 630
Public Transport Operations grant	5 723	5 990	6 326	6 750	19 066
Total direct conditional allocations¹	96 879	100 711	106 739	115 008	322 458
Indirect transfers	3 813	3 776	4 366	4 744	12 886
Basic Education	2 180	1 472	1 327	969	3 768
School Infrastructure Backlogs Indirect grant	2 180	1 472	1 327	969	3 768
Health	1 633	2 304	3 039	3 775	9 118
National Health Insurance Indirect grant	1 633	2 304	3 039	3 775	9 118

1. Excludes provisional allocations

Taking into account the muted economic growth projections, the global and local economic risks around projected revenue collection, and the high debt-service burden, fiscal consolidation cuts were effected to the baselines of a number of poor performing conditional grants and infrastructure grants that can absorb a delay in the implementation of planned projects. Grants directly linked to service delivery were largely protected from the cuts. More detailed information for each grant is provided in the chapter in the *EPRE* that deals with the relevant Vote.

Agriculture

In order to improve the performance of the sector, the commercialisation of black farmers that display potential was prioritised. The proposed mechanism is discussed under Section 6.3 of Vote 3's chapter. As such, just under R600 million of the CASP grant is moved to DAFF for the co-funding of the financing model that will identify and help potential commercial farmers.

The Ilima/Letsema Projects grant and the Land Care grant do not show significant cuts over the MTEF.

Arts and Culture

The Community Library Services grant is reduced over the 2018/19 MTEF due to fiscal consolidation.

Basic Education

Over the 2018/19 MTEF, three education sector grants are reduced as a result of fiscal consolidation. The biggest revision is made to the EIG which was reduced by R3.584 billion. The HIV and AIDS (Life-Skills Education) grant was reduced by R51.920 million, and the MST grant was reduced by R50.500 million.

The baseline for the Learners with Profound Intellectual Disabilities grant remained the same over the 2018/19 MTEF, however, provincial allocations have been revised to ensure that allocations between provinces reflect the actual burden of learners needing the services provided for by the grant.

Co-operative Governance and Traditional Affairs

The Provincial Disaster Relief grant was reduced by R21 million over the MTEF and is unallocated and allows the National Disaster Management Centre to release funds in-year after a disaster is declared.

Health

There were no baseline reductions to the Comprehensive HIV, AIDS and TB grant. However, a new sub-component is introduced in 2018/19, namely the Community Outreach Services component, with an additional R4.400 billion over the MTEF to ensure that this cadre of workers is better integrated into national health services and to make provision for the continued expansion of anti-retroviral treatment in response to the universal test-and-treat policy.

The Health Facility Revitalisation grant's baseline was reduced due to fiscal consolidation cuts.

The HPV grant, a previous component of the National Health Insurance (NHI) Indirect Grant, becomes a standalone direct grant to provinces from 2018/19 onward.

The National Tertiary Services grant's baseline is preserved over the MTEF, however, funds which were previously budgeted for within the national department are reprioritised toward the WC, to enable the province to expand its Diagnostic Related Group project and assist in the capacitation of other provinces.

Human Settlements

The HSDG was reduced significantly by R7.168 billion (R2 billion, R2.500 billion and R2.668 billion over the 2018/19 MTEF) partly due to fiscal consolidation and partly due to the creation of two new grants, namely the TDRG and the Provincial Emergency Housing grant. A total of R3 billion is ring-fenced over the MTEF to upgrade human settlements in mining towns in six provinces.

Public Works

The EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces were not affected by fiscal consolidation cuts over the 2018/19 MTEF.

Social Development

The Substance Abuse Treatment grant's focus in 2018/19 shifts from being a capital grant to supplement the operationalisation of the treatment centres. This grant, the ECD grant and the Social Worker Employment grant are not cut over the MTEF.

Sport and Recreation

The MPSD grant was reduced over the MTEF as a result of fiscal consolidation cuts.

Transport

The baseline of the PTOG is preserved, while the baseline of the PRMG was cut as a result of fiscal consolidation cuts.

Indirect transfers

With regard to the indirect transfers, the School Infrastructure Backlog grant is reduced over the MTEF.

From 2018/19 onward, the focus of the NHI Indirect grant is on three components instead of five, in order to ensure a more integrated approach. The components are health facilities revitalisation, personal services and non-personal services.

4.2 Provincial receipts

4.2.1 Overall provincial position

Table 4.10 shows the actual and projected total revenue for 2014/15 to 2020/21, while *Annexure 1.A* provides more detail.

Table 4.10 : Analysis of total receipts

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	2014/15-2017/18	2017/18-2020/21
R thousand									
Transfers from national	94 195 075	100 318 136	105 493 465	112 780 183	119 016 716	126 592 950	135 809 018		
Equitable share	78 138 477	83 131 565	87 897 580	93 756 530	99 263 681	106 363 502	113 997 676		
Conditional grants	16 056 598	17 186 571	17 595 885	19 023 653	19 753 035	20 229 448	21 811 342		
Own revenue	3 148 995	3 260 603	3 202 020	3 038 628	3 236 438	3 349 606	3 473 612		
Total receipts	97 344 070	103 578 739	108 695 485	115 818 811	122 253 154	129 942 556	139 282 630		
% of total revenue									
Transfers from national	96.8	96.9	97.1	97.4	97.4	97.4	97.5		
Equitable share	80.3	80.3	80.9	81.0	81.2	81.9	81.8		
Conditional grants	16.5	16.6	16.2	16.4	16.2	15.6	15.7		
Own revenue	3.2	3.1	2.9	2.6	2.6	2.6	2.5		
Nominal growth (%)									
Transfers from national		6.5	5.2	6.9	5.5	6.4	7.3	6.2	6.4
Equitable share		6.4	5.7	6.7	5.9	7.2	7.2	6.3	6.7
Conditional grants		7.0	2.4	8.1	3.8	2.4	7.8	5.8	4.7
Own revenue		3.5	(1.8)	(5.1)	6.5	3.5	3.7	(1.2)	4.6
Total		6.4	4.9	6.6	5.6	6.3	7.2	6.0	6.3
Real growth (%)									
Transfers from national		1.2	(1.1)	1.9	0.0	1.0	1.7	0.2	0.7
Equitable share		1.1	(0.5)	1.7	0.4	1.8	1.6	0.3	1.1
Conditional grants		1.7	(3.7)	3.1	(1.6)	(2.7)	2.2	(0.1)	(0.9)
Own revenue		(1.6)	(7.6)	(9.5)	1.0	(1.7)	(1.7)	(6.7)	(1.0)
Total receipts		1.1	(1.3)	1.6	0.1	0.9	1.6	(0.0)	0.7

In 2018/19, national transfers to KZN, which include PES and conditional grants, make up 97.4 per cent of provincial receipts. Provincial Own Revenue consists of revenue collected by provincial departments, and contributes 2.6 per cent. The PES is the most significant portion of national transfers amounting to R99.264 billion, R106.364 billion and R113.998 billion over the MTEF. Conditional grant funding provides a further R19.753 billion, R20.229 billion and R21.811 billion over the MTEF. The balance of the total receipts emanates from Provincial Own Revenue which grows from R3.236 billion to R3.474 billion over the MTEF.

4.2.2 Provincial Equitable Share (PES)

The weighting of the various PES components is a policy decision that takes a number of factors into account, including the historical expenditure patterns and relative demand for particular services. The components of the formula are updated annually with the release of official data. The equitable share allocation is based on demographic and economic statistics that attempt to capture the relative demand for public services. Over the 2018/19 MTEF, KZN is impacted by the use of school enrolment data from the LURITS database which shows a reduction in the number of learners in the province, hence further cuts to the equitable share.

4.2.3 National conditional grants

National conditional grants aim to promote national priorities and to compensate provinces for the provision of specialised services across provincial boundaries. Subsequent to this, several conditional grants were introduced with varying purposes, conditions and outcomes. Relative to the PES, conditional grants are thus used for more specific purposes.

Table 4.11 shows conditional grant transfers per Vote and more detail is given in *Annexure 1.C*.

Table 4.11 : Summary of national conditional grant transfers by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Vote 3 : Agriculture and Rural Development	319 760	308 524	300 503	297 432	297 432	297 432	314 562	294 321	312 989
CASP grant	212 632	226 161	222 155	209 598	209 598	209 598	223 975	206 650	220 496
Ilima/Letsema Projects grant	92 093	69 401	63 876	67 356	67 356	67 356	71 263	75 253	79 392
Land Care grant	10 854	10 666	10 632	12 012	12 012	12 012	12 016	12 418	13 101
EPWP Integrated Grant for Provinces	4 181	2 296	3 840	8 466	8 466	8 466	7 308	-	-
Vote 4 : Econ. Dev., Tourism and Environ. Affairs	16 827	7 027	6 927	6 149	6 149	6 149	3 740	-	-
EPWP Integrated Grant for Provinces	16 827	7 027	6 927	6 149	6 149	6 149	3 740	-	-
Vote 5 : Education	2 796 382	3 395 026	3 554 651	3 573 374	3 573 374	3 573 374	3 577 672	3 566 338	3 885 552
Education Infrastructure grant	1 385 781	1 978 683	2 045 211	1 993 146	1 993 146	1 993 146	1 866 435	1 794 644	1 991 333
HIV and AIDS (Life-Skills Education) grant	61 988	50 588	53 096	56 115	56 115	56 115	58 922	62 155	65 450
National School Nutrition Programme (NSNP) grant	1 237 534	1 287 034	1 363 783	1 450 087	1 450 087	1 450 087	1 534 878	1 611 622	1 726 104
Maths, Science and Technology (MST) grant	64 848	59 998	62 453	61 660	61 660	61 660	61 203	64 638	67 079
OSD for Education Sector Therapists grant	41 581	13 079	-	-	-	-	-	-	-
Learners with Profound Intellectual Disabilities grant	-	-	-	5 558	5 558	5 558	27 230	33 279	35 586
Social Sector EPWP Incentive Grant for Provinces	2 580	3 000	27 318	4 808	4 808	4 808	27 004	-	-
EPWP Integrated Grant for Provinces	2 070	2 644	2 790	2 000	2 000	2 000	2 000	-	-
Vote 7 : Health	6 428 886	6 903 596	7 306 804	8 085 518	8 085 518	8 085 518	9 103 605	9 580 774	10 381 631
Health Professions Training and Development grant	292 837	299 513	312 377	331 944	331 944	331 944	351 197	370 863	391 260
Health Facility Revitalisation grant	1 362 469	1 229 775	1 114 693	1 149 355	1 149 355	1 149 355	1 202 480	1 153 049	1 216 467
National Tertiary Services grant	1 496 427	1 530 246	1 596 286	1 696 266	1 696 266	1 696 266	1 794 649	1 895 149	2 022 124
Comprehensive HIV, AIDS and TB grant	3 257 992	3 812 972	4 244 243	4 852 495	4 852 495	4 852 495	5 677 225	6 114 218	6 701 673
Social Sector EPWP Incentive Grant for Provinces	2 580	13 000	13 000	47 058	47 058	47 058	24 182	-	-
EPWP Integrated Grant for Provinces	2 581	3 682	7 122	8 400	8 400	8 400	8 896	-	-
National Health Insurance grant	14 000	14 408	19 083	-	-	-	-	-	-
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	44 976	47 495	50 107
Vote 8 : Human Settlements	3 509 045	3 550 432	3 139 896	3 483 192	3 683 192	3 683 192	3 265 663	3 382 265	3 621 233
Human Settlements Development grant	3 509 045	3 543 852	3 124 702	3 477 567	3 677 567	3 677 567	3 152 757	3 275 125	3 508 205
Title Deeds Restoration grant	-	-	-	-	-	-	101 422	107 140	113 028
EPWP Integrated Grant for Provinces	-	6 580	15 194	5 625	5 625	5 625	11 484	-	-
Vote 9 : Community Safety and Liaison	2 580	1 000	11 043	1 487	1 487	1 487	10 321	-	-
Social Sector EPWP Incentive Grant for Provinces	2 580	1 000	11 043	1 487	1 487	1 487	10 321	-	-
Vote 10 : Sport and Recreation	95 595	93 633	106 324	112 592	112 592	112 592	102 151	104 864	111 599
Mass Participation and Sport Development grant	85 435	90 131	98 090	98 427	98 427	98 427	98 739	104 864	111 599
EPWP Integrated Grant for Provinces	2 102	2 000	2 000	2 000	2 000	2 000	2 000	-	-
Social Sector EPWP Incentive Grant for Provinces	8 058	1 502	6 234	12 165	12 165	12 165	1 412	-	-
Vote 11 : Co-op. Governance and Traditional Affairs	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-
EPWP Integrated Grant for Provinces	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-
Vote 12 : Transport	2 752 384	2 759 623	2 992 479	2 934 054	2 934 054	2 934 054	3 009 461	2 940 891	3 116 393
Provincial Roads Maintenance grant	1 788 158	1 779 255	1 925 378	1 828 970	1 828 970	1 828 970	1 826 745	1 772 792	1 870 031
Public Transport Operations grant	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
EPWP Integrated Grant for Provinces	59 443	55 602	56 055	33 645	33 645	33 645	76 562	-	-
Vote 13 : Social Development	5 746	3 000	3 958	144 836	144 836	144 836	178 888	176 078	187 873
Social Sector EPWP Incentive Grant for Provinces	3 746	3 000	3 958	19 498	19 498	19 498	13 490	-	-
EPWP Integrated Grant for Provinces	2 000	-	-	-	-	-	-	-	-
Early Childhood Development grant	-	-	-	71 879	71 879	71 879	107 543	113 556	121 163
Social Worker Employment grant	-	-	-	53 459	53 459	53 459	57 855	62 522	66 710
Vote 14 : Public Works	3 168	3 056	4 471	6 588	6 588	6 588	6 023	-	-
EPWP Integrated Grant for Provinces	3 168	3 056	4 471	6 588	6 588	6 588	6 023	-	-
Vote 15 : Arts and Culture	122 754	158 969	165 162	175 093	175 093	175 093	176 397	183 917	194 072
Community Library Services grant	122 754	157 569	163 162	173 093	173 093	173 093	174 397	183 917	194 072
EPWP Incentive Grant for Provinces	-	1 400	2 000	2 000	2 000	2 000	2 000	-	-
Total	16 056 598	17 188 005	17 595 885	18 823 653	19 023 653	19 023 653	19 753 035	20 229 448	21 811 342

The conditional grant allocation for KZN increases from R19.753 billion in 2018/19 to R21.811 billion in 2020/21. This growth is despite the fact that National Treasury effected significant fiscal consolidation cuts against provinces. These cuts amounted to R225.700 million in 2018/19 and R1.250 billion in 2019/20, while increasing by R331.360 million in 2020/21. Various grants were cut, with the most significant cuts being against the HSDG and the PRMG and the detail is provided in each department's chapter in the *EPRE*. A new grant is introduced over the MTEF, with these funds moved from the HSDG to form the new TDRG, as mentioned.

4.2.4 Total provincial own receipts (own revenue)

Table 4.12 summarises Provincial Own Revenue by economic classification. The bulk of Provincial Own Revenue is collected against *Tax receipts* which comprises *Motor vehicle licences*, *Casino taxes*, *Horse racing taxes* and *Liquor licences*.

Tax receipts shows that the major revenue sources in this category are *Motor vehicle licences* and *Casino taxes*. Over the MTEF, this category is projected to increase from R2.320 billion in 2018/19 to R2.468 billion in 2020/21.

Table 4.12 : Summary of provincial own receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Tax receipts	2 045 246	2 081 369	2 206 455	2 212 785	2 212 785	2 259 000	2 319 835	2 394 219	2 468 214
Casino taxes	467 319	487 788	502 243	510 227	510 227	510 874	518 570	524 843	531 391
Horse racing taxes	71 205	78 102	80 225	76 497	76 497	81 273	81 715	82 817	83 973
Liquor licences	25 596	25 306	24 456	28 898	28 898	28 898	25 500	26 500	27 500
Motor vehicle licences	1 481 126	1 490 173	1 599 531	1 597 163	1 597 163	1 637 955	1 694 050	1 760 059	1 825 350
Sale of goods and services other than capital assets	460 875	419 939	456 481	476 323	476 323	454 598	468 145	493 394	525 859
Transfers received	-	1 535	365	-	-	280	-	-	-
Fines, penalties and forfeits	44 808	46 493	48 665	41 615	41 615	39 273	58 441	61 894	59 674
Interest, dividends and rent on land	313 851	399 059	298 951	218 406	218 406	337 041	296 961	301 329	316 696
Sale of capital assets	48 899	23 034	50 782	30 466	30 466	69 652	30 443	32 584	33 413
Transactions in financial assets and liabilities	235 316	289 174	140 321	59 032	59 032	73 161	62 613	66 186	69 756
Total	3 148 995	3 260 603	3 202 020	3 038 628	3 038 628	3 233 005	3 236 438	3 349 606	3 473 612

Sale of goods and services other than capital assets is the next highest revenue collection item and shows a steady increase over the MTEF largely related to inflationary increments.

Interest, dividends and rent on land is the third highest revenue category and fluctuates over the seven-year period. This revenue category mainly relates to interest earned on the provincial bank account and the high projected collection in 2017/18 resulted in the 2018/19 MTEF budget being adjusted upwards.

Table 4.13 provides a detailed analysis of revenue per Vote.

Table 4.13 : Summary of provincial own receipts by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
1. Office of the Premier	540 248	567 020	582 934	587 336	587 336	593 337	601 138	608 531	616 254
2. Provincial Legislature	2 950	3 338	7 603	813	813	3 943	860	907	956
3. Agriculture and Rural Development	32 267	23 712	20 023	24 476	24 476	25 224	24 580	25 039	26 367
4. Economic Development, Tourism and Enviro Affairs	135 161	63 726	32 053	32 104	32 104	32 808	28 863	30 041	31 234
5. Education	96 705	93 518	123 639	92 392	92 392	97 625	97 751	103 224	108 901
6. Provincial Treasury	312 443	396 415	288 888	217 645	217 645	312 214	296 056	300 343	315 660
7. Health	289 933	243 594	298 104	260 508	260 508	285 295	277 909	295 480	314 952
8. Human Settlements	28 920	168 075	16 063	4 499	4 499	55 429	4 809	5 126	5 407
9. Community Safety and Liaison	76	756	538	101	101	194	107	114	120
10. Sport and Recreation	399	979	1 170	413	413	693	432	452	477
11. Co-operative Governance and Traditional Affairs	23 471	13 710	4 766	4 418	4 418	4 788	4 812	5 110	5 381
12. Transport	1 656 407	1 664 980	1 784 229	1 790 761	1 790 761	1 792 384	1 877 791	1 952 487	2 023 983
13. Social Development	8 954	6 858	24 944	8 234	8 234	12 407	8 710	8 946	9 438
14. Public Works	19 486	12 996	16 115	14 009	14 009	15 262	11 640	12 777	13 479
15. Arts and Culture	1 575	926	951	917	917	1 402	980	1 029	1 003
Total	3 148 995	3 260 603	3 202 020	3 038 628	3 038 628	3 233 005	3 236 438	3 349 606	3 473 612
Provincial Legislature receipts not surrendered to PRF	2 950	3 338	7 603	813	813	3 943	860	907	956
Total adjusted provincial own receipts	3 146 045	3 257 265	3 194 417	3 037 815	3 037 815	3 229 062	3 235 578	3 348 699	3 472 656

The most significant revenue contributors are the Department of Transport (DOT), OTP, DOH, Provincial Treasury and DOE. Details of these departments' revenue collections are provided in each Vote's chapter in the *EPRE* and largely relate to motor vehicle licences, casino taxes, health patient fees, interest collected on the provincial bank account, as well as a concerted effort made to improve debt collection.

4.2.5 Donor and agency funding

Table 4.14 indicates donor and agency funding, per department, over the 2018/19 MTEF. More detail is provided in *Annexure 1.F* and in each Vote's chapter in the *EPRE*.

Table 4.14 : Donor and agency funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Donor funding	1 478	10 791	57 227	78 400	102 942	102 942	155 383	-	-
Agriculture and Rural Development	-	2 895	-	-	-	-	-	-	-
Provincial Treasury	-	7 073	57 227	78 400	102 942	102 942	155 383	-	-
Health	125	60	-	-	-	-	-	-	-
Co-operative Governance and Traditional Affairs	1 353	763	-	-	-	-	-	-	-
Agency funding	97 358	63 222	49 336	10 962	10 962	38 974	3 922	3 922	3 922
Office of the Premier	38 020	21 700	8 870	6 800	6 800	14 875	-	-	-
Provincial Treasury	-	-	131	240	240	-	-	-	-
Health	802	1 857	5 311	-	-	1 306	-	-	-
Co-operative Governance and Traditional Affairs	-	990	-	-	-	-	-	-	-
Transport	58 536	38 675	35 024	3 922	3 922	22 553	3 922	3 922	3 922
Total	98 836	74 013	106 563	89 362	113 904	141 916	159 305	3 922	3 922

5. PAYMENTS

5.1 Overall position

Total provincial payments increased from R96.846 billion in 2014/15 to an estimated R117.613 billion in 2017/18. This positive growth is set to continue over the 2018/19 MTEF, with aggregated estimates of R122.492 billion in 2018/19 growing to R138.659 billion in 2020/21. The additions and budget cuts implemented over the MTEF are detailed in Chapter 3 of this *OPRE*.

5.2 Payments by Vote

Table 5.1 illustrates the summary of provincial payments by Vote.

Table 5.1 : Summary of provincial payments and estimates by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the Premier	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
2. Provincial Legislature	476 027	436 137	475 374	535 300	617 808	617 808	565 214	600 520	640 797
3. Agriculture and Rural Development	2 003 044	2 199 187	2 216 366	2 197 144	2 197 144	2 210 644	2 324 108	2 430 041	2 591 362
4. Economic Development, Tourism and Enviro Affairs	2 955 803	2 983 585	2 596 897	2 784 403	2 796 453	2 788 507	3 009 296	3 180 694	3 363 243
5. Education	39 289 076	43 096 534	45 960 452	47 476 599	47 900 093	48 286 416	50 903 682	53 785 299	57 880 610
6. Provincial Treasury	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408
7. Health	31 245 510	34 110 724	37 026 397	39 548 473	39 930 478	40 430 163	42 347 664	44 957 135	48 323 976
8. Human Settlements	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407
9. Community Safety and Liaison	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765
10. Sport and Recreation	451 245	437 496	423 298	463 590	463 953	463 953	451 953	476 702	506 970
11. Co-operative Governance and Traditional Affairs	1 482 587	1 518 088	1 603 365	1 585 226	1 626 726	1 667 463	1 679 082	1 777 022	1 891 067
12. Transport	8 908 956	9 129 869	9 251 796	9 847 024	10 074 270	10 165 666	10 062 047	10 437 852	11 064 285
13. Social Development	2 487 432	2 610 357	2 754 077	3 041 364	2 986 364	2 947 202	3 287 882	3 482 394	3 710 768
14. Public Works	1 388 082	1 406 247	1 454 165	1 506 951	1 542 817	1 542 817	1 587 932	1 681 234	1 788 742
15. Arts and Culture	710 027	763 542	793 339	874 068	838 814	838 814	962 571	975 808	1 000 439
Total	96 846 407	104 346 716	109 594 851	115 258 467	116 640 980	117 613 331	122 491 654	129 300 386	138 658 538

National Treasury effected cuts against the provincial budget over the 2018/19 MTEF and the Finance *Lekgotla* on 7 February 2018 decided that the budget cuts for 2018/19 would be proportionately allocated against all 15 Votes but, while the departments would be notified of the quantum of the cut immediately after the *Lekgotla*, they would only need to effect these budget cuts in the 2018/19 Adjustments Estimate.

As a result, all departments, except for four departments, namely Provincial Legislature, DOHS, Department of Sport and Recreation (DOSR) and DOT, had positive growth in the outer year, *albeit* a small increase for most. The reduction in the baseline for the three departments in 2018/19, is largely due to once-off allocations received in 2017/18, movement of the learner transport function from DOT to DOE, as well as reductions against the conditional grant allocations, explained in detail in the departmental sections of the *EPRE*.

All other departments' baselines show an increase when compared to the 2017/18 Revised Estimate. This increase, however, is marginal as it relates to inflationary adjustments over the MTEF. In addition, as mentioned, National Treasury provides an amount for the carry-through costs of the wage inflation adjustment and some departments also received allocations for provincial priorities.

Table 5.2 shows an analysis of payments and estimates by major Votes.

DOE continues to have the highest budget allocation in the province, with this department taking up 41.6 per cent of the provincial budget in 2018/19.

DOH remains the second highest spending provincial department, with a 34.6 per cent share of the provincial budget in 2018/19, rising to 34.9 per cent in 2020/21.

DSD reflects a steady share of total expenditure, at 2.7 per cent over the 2018/19 MTEF having received additional funding for various national priorities, as mentioned in Chapter 3 of this *OPRE*.

Other Functions constitutes all the other departments and remains fairly steady over the MTEF at around the 21.2 per cent mark.

Table 5.2 : Analysis of payments and estimates by major Vote

	Audited Outcome			Adjusted Appropriation 2017/18	Medium-term Estimates			Average Annual Growth	
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	2014/15- 2017/18	2017/18- 2020/21
R thousand									
Education	39 289 076	43 096 534	45 960 452	47 900 093	50 903 682	53 785 299	57 880 610		
Health	31 245 510	34 110 724	37 026 397	39 930 478	42 347 664	44 957 135	48 323 976		
Social Development	2 487 432	2 610 357	2 754 077	2 986 364	3 287 882	3 482 394	3 710 768		
Other Functions	23 824 389	24 529 101	23 853 925	25 824 045	25 952 426	27 075 558	28 743 184		
Total expenditure	96 846 407	104 346 716	109 594 851	116 640 980	122 491 654	129 300 386	138 658 538		
% of total expenditure									
Education	40.6	41.3	41.9	41.1	41.6	41.6	41.7		
Health	32.3	32.7	33.8	34.2	34.6	34.8	34.9		
Social Development	2.6	2.5	2.5	2.6	2.7	2.7	2.7		
Other Functions	24.6	23.5	21.8	22.1	21.2	20.9	20.7		
Nominal growth (%)									
Education		9.7	6.6	4.2	6.3	5.7	7.6	6.8	6.5
Health		9.2	8.5	7.8	6.1	6.2	7.5	8.5	6.6
Social Development		4.9	5.5	8.4	10.1	5.9	6.6	6.3	7.5
Other Functions		3.0	(2.8)	8.3	0.5	4.3	6.2	2.7	3.6
Total expenditure		7.7	5.0	6.4	5.0	5.6	7.2	6.4	5.9
Real growth (%)									
Education		4.3	0.3	(0.6)	0.7	0.3	2.0	0.8	0.9
Health		3.8	2.1	2.8	0.5	0.8	1.9	2.4	0.9
Social Development		(0.2)	(0.7)	3.4	4.4	0.6	1.0	0.3	1.8
Other Functions		(2.1)	(8.5)	3.2	(4.7)	(0.9)	0.6	(3.1)	(1.9)
Total expenditure		2.4	(1.2)	1.5	(0.5)	0.2	1.6	0.4	0.3

5.3 Payments by economic classification

5.3.1 Provincial summary of payments and estimates by economic classification

Table 5.3 presents a summary of payments and estimates by economic classification. *Annexure 1.B* provides more detail in this regard.

Table 5.3 : Summary of provincial payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation 2017/18	Adjusted Appropriation 2017/18	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	76 382 678	82 946 028	89 864 086	95 892 956	96 353 373	97 107 525	102 716 170	109 101 879	117 436 693
Compensation of employees	57 608 600	62 313 286	67 307 573	73 154 096	72 037 059	72 264 101	77 110 688	82 346 568	88 972 886
Goods and services	18 770 083	20 492 911	22 552 424	22 736 654	24 312 772	24 838 443	25 601 370	26 753 169	28 461 534
Interest and rent on land	3 995	139 831	4 089	2 206	3 542	4 981	4 112	2 142	2 273
Transfers and subsidies to:	12 146 645	12 511 265	11 561 270	11 580 777	11 988 499	12 229 087	11 851 129	12 386 369	13 067 927
Provinces and municipalities	1 365 806	1 417 730	1 262 221	1 164 447	1 251 420	1 292 898	1 269 843	1 356 492	1 390 193
Departmental agencies and accounts	1 962 754	2 112 825	1 909 947	2 045 030	2 067 132	2 067 943	2 133 888	2 208 133	2 332 886
Higher education institutions	3 046	2 000	13 617	10 980	13 024	13 024	31 138	32 695	34 494
Foreign governments and international organisations	207	292	181	228	228	228	241	255	269
Public corporations and private enterprises	1 687 664	1 707 464	1 579 867	1 371 149	1 532 725	1 532 825	1 463 896	1 533 481	1 629 624
Non-profit institutions	3 116 896	3 196 732	3 190 821	3 264 633	3 028 592	3 027 320	3 226 229	3 412 487	3 583 875
Households	4 010 272	4 074 222	3 604 616	3 724 310	4 095 378	4 294 849	3 725 894	3 842 826	4 096 586
Payments for capital assets	8 229 007	8 640 102	7 869 102	7 557 177	8 070 640	8 048 079	7 834 104	7 718 694	8 054 641
Buildings and other fixed structures	7 524 475	7 917 113	7 171 680	6 545 682	6 943 296	6 982 704	6 652 716	6 415 826	6 740 384
Machinery and equipment	665 046	698 211	685 262	987 203	1 110 658	1 046 323	1 162 031	1 282 735	1 293 279
Heritage assets	2 608	3 682	805	4 594	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	350	169	668	872	872	550	570	570
Land and sub-soil assets	23 000	-	-	-	-	-	-	-	-
Software and other intangible assets	13 733	20 746	11 186	19 030	13 759	16 144	13 988	14 464	15 029
Payments for financial assets	5 983	172 117	222 392	139 501	140 412	140 584	-	-	-
Total	96 764 313	104 269 512	109 516 850	115 170 411	116 552 924	117 525 275	122 401 403	129 206 942	138 559 261
Statutory payments (Members' remuneration)	82 094	77 204	78 001	88 056	88 056	88 056	90 251	93 444	99 277
Total economic classification (incl. stat. payment)	96 846 407	104 346 716	109 594 851	115 258 467	116 640 980	117 613 331	122 491 654	129 300 386	138 658 538

Current payments consumes the bulk of the total provincial spending, and is set to increase from R97.108 billion in the 2017/18 Revised Estimate to R117.437 billion in 2020/21. The largest portion of this category relates to *Compensation of employees*, driven mainly by DOE and DOH, due to the high number of employees in these departments.

Transfers and subsidies shows a fluctuating trend between 2014/15 and 2020/21. A substantial portion of this category is allocated against *Households* and *Non-profit institutions* and largely relates to the HSDG under DOHS, as well as transfers to public schools for norms and standards, respectively. Fluctuations in transfers to public entities also impact on this category.

Buildings and other fixed structures reflects fluctuations over the 2018/19 MTEF, mainly due to the fiscal consolidation cuts made by National Treasury against various infrastructure-related conditional grants.

Payments for financial assets mainly reflects the first charge amounts (in line with S34 (2) of the PFMA) in respect of unauthorised expenditure. Also included, although to a lesser extent, are the write-offs of irrecoverable debts by various departments.

Table 5.4 provides an analysis of payments and estimates by economic classification, looking at average annual growth, and percentage share of various categories when compared to total expenditure.

Table 5.4 : Analysis of payments and estimates by economic classification

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	2014/15-2017/18	2017/18-2020/21
R thousand									
Current	76 464 772	83 023 232	89 942 087	96 441 429	102 806 421	109 195 323	117 535 970		
Transfers	12 146 645	12 511 265	11 561 270	11 988 499	11 851 129	12 386 369	13 067 927		
Capital	8 229 007	8 640 102	7 869 102	8 070 640	7 834 104	7 718 694	8 054 641		
Financial assets	5 983	172 117	222 392	140 412	-	-	-		
Compensation	57 690 694	62 390 490	67 385 574	72 125 115	77 200 939	82 440 012	89 072 163		
Non-compensation	39 155 713	41 956 226	42 209 277	44 515 865	45 290 715	46 860 374	49 586 375		
Non-compensation (excl. transfers)	27 009 068	29 444 961	30 648 007	32 527 366	33 439 586	34 474 005	36 518 448		
Non-compensation non-capital (NCNC)	30 926 706	33 316 124	34 340 175	36 445 225	37 456 611	39 141 680	41 531 734		
NCNC (excl. transfers)	18 780 061	20 804 859	22 778 905	24 456 726	25 605 482	26 755 311	28 463 807		
Total expenditure	96 846 407	104 346 716	109 594 851	116 640 980	122 491 654	129 300 386	138 658 538		
% of total expenditure									
Current	79.0	79.6	82.1	82.7	83.9	84.5	84.8		
Transfers	12.5	12.0	10.5	10.3	9.7	9.6	9.4		
Capital	8.5	8.3	7.2	6.9	6.4	6.0	5.8		
Financial assets	0.0	0.2	0.2	0.1	-	-	-		
Compensation	59.6	59.8	61.5	61.8	63.0	63.8	64.2		
Non-compensation	40.4	40.2	38.5	38.2	37.0	36.2	35.8		
Non-compensation (excl. transfers)	27.9	28.2	28.0	27.9	27.3	26.7	26.3		
Non-compensation non-capital (NCNC)	31.9	31.9	31.3	31.2	30.6	30.3	30.0		
NCNC (excl. transfers)	19.4	19.9	20.8	21.0	20.9	20.7	20.5		
Nominal growth (%)									
Current		8.6	8.3	7.2	6.6	6.2	7.6	8.0	6.8
Transfers		3.0	(7.6)	3.7	(1.1)	4.5	5.5	(0.4)	2.9
Capital		5.0	(8.9)	2.6	(2.9)	(1.5)	4.4	(0.6)	(0.1)
Financial assets		2 776.8	29.2	(36.9)	(100.0)	-	-	186.3	(100.0)
Compensation		8.1	8.0	7.0	7.0	6.8	8.0	7.7	7.3
Non-compensation		7.2	0.6	5.5	1.7	3.5	5.8	4.4	3.7
Non-compensation (excl. transfers)		9.0	4.1	6.1	2.8	3.1	5.9	6.4	3.9
Non-compensation non-capital (NCNC)		7.7	3.1	6.1	2.8	4.5	6.1	5.6	4.5
NCNC (excl. transfers)		10.8	9.5	7.4	4.7	4.5	6.4	9.2	5.2
Real growth (%)									
Current		3.2	1.9	2.2	1.0	0.9	2.0	2.0	1.2
Transfers		(2.1)	(13.1)	(1.1)	(6.3)	(0.7)	0.0	(6.0)	(2.5)
Capital		(0.2)	(14.3)	(2.2)	(8.0)	(6.4)	(1.1)	(6.2)	(5.4)
Financial assets		2 634.6	21.6	(39.8)	(100.0)	(5.0)	(5.2)	170.2	(100.0)
Compensation		2.8	1.6	2.0	1.5	1.4	2.4	1.7	1.6
Non-compensation		1.9	(5.4)	0.5	(3.6)	(1.7)	0.3	(1.5)	(1.8)
Non-compensation (excl. transfers)		3.6	(2.1)	1.2	(2.6)	(2.1)	0.4	0.4	(1.6)
Non-compensation non-capital (NCNC)		2.4	(3.0)	1.2	(2.6)	(0.8)	0.6	(0.3)	(1.1)
NCNC (excl. transfers)		5.3	3.0	2.4	(0.8)	(0.8)	0.8	3.1	(0.4)

Current expenditure is the largest category, and the percentage of total expenditure, grows from 79 per cent in 2014/15 to 84.8 per cent in 2020/21. The increase is mainly attributable to the carry-through costs of above-budget wage agreements, as well as the provision made by some departments for filling critical vacant posts. However, some departments have under-budgeted when compared to National Treasury's prescribed wage increments, and this will have to be reviewed in-year.

The share of total expenditure for *Transfers* reflects a declining trend, from 12.5 per cent in 2014/15 to 9.4 per cent in 2020/21. These fluctuations are largely influenced by fluctuations in the HSDG.

The expenditure trend for *Capital* fluctuates, and shows a declining trend in terms of its share of total expenditure, with its share being 8.5 per cent in 2014/15, before declining to 6.9 per cent in 2017/18 and further declining to 5.8 per cent in 2020/21. This category was affected by the fiscal consolidation cuts

implemented over the 2018/19 MTEF as the cuts were also effected against infrastructure-related conditional grants, namely the PRMG and the EIG.

5.3.2 Analysis of payments and estimates by economic classification – Education

Table 5.5 shows DOE's summary of payments and estimates by economic classification.

Table 5.5 : Analysis of payments and estimates summary by economic classification - Education

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	2014/15-2017/18	2017/18-2020/21
R thousand									
Current	35 409 049	38 715 581	41 765 226	44 234 596	47 154 751	49 965 643	53 740 170		
Transfers	1 857 892	1 908 152	1 945 524	1 752 699	1 988 164	2 102 860	2 220 718		
Capital	2 022 135	2 440 909	2 217 809	1 880 905	1 760 767	1 716 796	1 919 722		
Financial assets	-	31 892	31 893	31 893	-	-	-		
Compensation	32 037 938	34 527 080	37 608 395	39 991 963	42 890 943	45 488 215	49 002 786		
Non-compensation	7 251 138	8 569 454	8 352 057	7 908 130	8 012 739	8 297 084	8 877 824		
Non-compensation (excl. transfers)	5 393 246	6 661 302	6 406 533	6 155 431	6 024 575	6 194 224	6 657 106		
Non-compensation non-capital (NCNC)	5 229 003	6 128 545	6 134 248	6 027 225	6 251 972	6 580 288	6 958 102		
NCNC (excl. transfers)	3 371 111	4 220 393	4 188 724	4 274 526	4 263 808	4 477 428	4 737 384		
Total expenditure	39 289 076	43 096 534	45 960 452	47 900 093	50 903 682	53 785 299	57 880 610		
% of total expenditure									
Current	90.1	89.8	90.9	92.3	92.6	92.9	92.8		
Transfers	4.7	4.4	4.2	3.7	3.9	3.9	3.8		
Capital	5.1	5.7	4.8	3.9	3.5	3.2	3.3		
Financial assets	-	0.1	0.1	0.1	-	-	-		
Compensation	81.5	80.1	81.8	83.5	84.3	84.6	84.7		
Non-compensation	18.5	19.9	18.2	16.5	15.7	15.4	15.3		
Non-compensation (excl. transfers)	13.7	15.5	13.9	12.9	11.8	11.5	11.5		
Non-compensation non-capital (NCNC)	13.3	14.2	13.3	12.6	12.3	12.2	12.0		
NCNC (excl. transfers)	8.6	9.8	9.1	8.9	8.4	8.3	8.2		
Nominal growth (%)									
Current		9.3	7.9	5.9	6.6	6.0	7.6	7.7	6.7
Transfers		2.7	2.0	(9.9)	13.4	5.8	5.6	(1.9)	8.2
Capital		20.7	(9.1)	(15.2)	(6.4)	(2.5)	11.8	(2.4)	0.7
Financial assets		-	0.0	-	(100.0)	-	-	-	(100.0)
Compensation		7.8	8.9	6.3	7.2	6.1	7.7	7.7	7.0
Non-compensation		18.2	(2.5)	(5.3)	1.3	3.5	7.0	2.9	3.9
Non-compensation (excl. transfers)		23.5	(3.8)	(3.9)	(2.1)	2.8	7.5	4.5	2.6
Non-compensation non-capital (NCNC)		17.2	0.1	(1.7)	3.7	5.3	5.7	4.8	4.9
NCNC (excl. transfers)		25.2	(0.8)	2.0	(0.3)	5.0	5.8	8.2	3.5
Real growth (%)									
Current		3.9	1.5	1.0	1.0	0.6	1.9	1.6	1.0
Transfers		(2.4)	(4.1)	(14.1)	7.5	0.4	0.1	(7.4)	2.5
Capital		14.7	(14.5)	(19.2)	(11.3)	(7.4)	6.0	(7.9)	(4.7)
Financial assets		(4.9)	(5.9)	(4.7)	(100.0)	(5.0)	(5.2)	-	(100.0)
Compensation		2.4	2.5	1.4	1.7	0.7	2.1	1.6	1.3
Non-compensation		12.3	(8.3)	(9.7)	(4.0)	(1.7)	1.4	(2.9)	(1.6)
Non-compensation (excl. transfers)		17.4	(9.5)	(8.4)	(7.2)	(2.4)	1.9	(1.4)	(2.8)
Non-compensation non-capital (NCNC)		11.4	(5.8)	(6.3)	(1.7)	(0.0)	0.2	(1.1)	(0.7)
NCNC (excl. transfers)		19.0	(6.6)	(2.7)	(5.5)	(0.3)	0.3	2.1	(2.0)

The share of *Current* payments to total budget is set to increase steadily from 92.3 per cent in 2017/18 to 92.8 per cent in 2020/21. This is mainly attributed to *Compensation of employees* which is the department's largest cost driver, as well as *Goods and services* which includes various priorities such as conditional grants, maintenance and repairs of school infrastructure, learner transport, among others.

Transfers fluctuates over the period, largely influenced by the unpredictability in learner enrolment numbers in both public ordinary and independent schools. Due to budget pressures, the transfer payments to schools are below the sector norms and standards. The MTEF makes provision for transfers utilised for the purchase of textbooks and stationery for S21 (c) schools, as well as for payment of operational costs.

Capital reflects negative real growth of 4.7 per cent from 2017/18 to 2020/21 mainly due to the reductions which were effected against the EIG due to fiscal consolidation cuts over the 2018/19 MTEF.

5.3.3 Analysis of payments and estimates by economic classification – Health

Table 5.6 shows DOH's expenditure by economic classification.

The largest share of total expenditure is in respect of *Current* payments, where the percentage increases from 92.5 per cent in 2014/15 to 94.7 per cent in 2020/21. The growing share is largely because the department has reduced funding for *Capital* due to various budget cuts, as well as reprioritising funding away from *Capital* to maintenance. Also impacting on this category is additional funding allocated from 2016/17 to address budget pressures.

Table 5.6 : Analysis of payments and estimates summary by economic classification - Health

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	2014/15-2017/18	2017/18-2020/21
R thousand									
Current	28 911 128	31 899 939	34 739 862	37 215 923	39 695 959	42 352 834	45 784 761		
Transfers	828 088	843 093	1 035 657	1 027 358	982 961	985 139	1 023 395		
Capital	1 505 879	1 257 629	1 106 314	1 579 473	1 668 744	1 619 162	1 515 820		
Financial assets	415	110 063	144 564	107 724	-	-	-		
Compensation	20 014 542	21 793 160	23 354 896	24 962 432	26 178 626	28 191 328	30 565 276		
Non-compensation	11 230 968	12 317 564	13 671 501	14 968 046	16 169 038	16 765 807	17 758 700		
Non-compensation (excl. transfers)	10 402 880	11 474 471	12 635 844	13 940 688	15 186 077	15 780 668	16 735 305		
Non-compensation non-capital (NCNC)	9 725 089	11 059 935	12 565 187	13 388 573	14 500 294	15 146 645	16 242 880		
NCNC (excl. transfers)	8 897 001	10 216 842	11 529 530	12 361 215	13 517 333	14 161 506	15 219 485		
Total expenditure	31 245 510	34 110 724	37 026 397	39 930 478	42 347 664	44 957 135	48 323 976		
% of total expenditure									
Current	92.5	93.5	93.8	93.2	93.7	94.2	94.7		
Transfers	2.7	2.5	2.8	2.6	2.3	2.2	2.1		
Capital	4.8	3.7	3.0	4.0	3.9	3.6	3.1		
Financial assets	0.0	0.3	0.4	0.3	-	-	-		
Compensation	64.1	63.9	63.1	62.5	61.8	62.7	63.3		
Non-compensation	35.9	36.1	36.9	37.5	38.2	37.3	36.7		
Non-compensation (excl. transfers)	33.3	33.6	34.1	34.9	35.9	35.1	34.6		
Non-compensation non-capital (NCNC)	31.1	32.4	33.9	33.5	34.2	33.7	33.6		
NCNC (excl. transfers)	28.5	30.0	31.1	31.0	31.9	31.5	31.5		
Nominal growth (%)									
Current		10.3	8.9	7.1	6.7	6.7	8.1	8.8	7.2
Transfers		1.8	22.8	(0.8)	(4.3)	0.2	3.9	7.5	(0.1)
Capital		(16.5)	(12.0)	42.8	5.7	(3.0)	(6.4)	1.6	(1.4)
Financial assets		26 421.2	31.3	(25.5)	(100.0)	-	-	537.9	(100.0)
Compensation		8.9	7.2	6.9	4.9	7.7	8.4	7.6	7.0
Non-compensation		9.7	11.0	9.5	8.0	3.7	5.9	10.0	5.9
Non-compensation (excl. transfers)		10.3	10.1	10.3	8.9	3.9	6.0	10.2	6.3
Non-compensation non-capital (NCNC)		13.7	13.6	6.6	8.3	4.5	7.2	11.2	6.7
NCNC (excl. transfers)		14.8	12.8	7.2	9.4	4.8	7.5	11.6	7.2
Real growth (%)									
Current		4.9	2.4	2.1	1.1	1.3	2.5	2.7	1.5
Transfers		(3.2)	15.6	(5.4)	(9.3)	(4.8)	(1.5)	1.4	(5.4)
Capital		(20.6)	(17.2)	36.1	0.1	(7.9)	(11.3)	(4.1)	(6.6)
Financial assets		25 110.3	23.6	(29.0)	(100.0)	(5.0)	(5.2)	502.0	(100.0)
Compensation		3.5	0.8	1.9	(0.6)	2.3	2.8	1.6	1.3
Non-compensation		4.3	4.4	4.4	2.4	(1.5)	0.4	3.9	0.3
Non-compensation (excl. transfers)		4.8	3.6	5.2	3.3	(1.3)	0.5	4.0	0.6
Non-compensation non-capital (NCNC)		8.1	6.9	1.6	2.7	(0.8)	1.6	5.0	1.0
NCNC (excl. transfers)		9.2	6.2	2.2	3.7	(0.5)	1.9	5.3	1.5

Compensation of employees which, although showing an erratic trend similar to *Current* payments, reflects an increasing trend over the 2018/19 MTEF.

Transfers reflects a reduction in the share of expenditure from 2.3 per cent to 2.1 per cent over the 2018/19 MTEF, mainly due to the provincialisation of St. Mary's Hospital during 2017/18, with the funding moving to *Current*.

The share of total expenditure on *Capital* decreases over the seven-year period, largely as per the reasons discussed under *Current*. The declining share between 2017/18 and 2020/21 is also influenced by the anticipated completion of the Dr. Pixley Ka Isaka Seme Hospital, with funding then reprioritised to maintenance in the outer year.

5.3.4 Analysis of payments and estimates by economic classification – Social Development

Table 5.7 shows DSD's expenditure by economic classification.

As a share of total expenditure, *Current* increases from 61.1 per cent in 2014/15 to 65.5 per cent in 2020/21. The growth over the MTEF is mainly due to the filling of vacant OSD posts (social worker supervisors), new social work graduates, non-OSD posts, additional funding for the above-budget wage agreement provided for in 2020/21, and annual salary increments against *Compensation of employees*.

Transfers shows a fluctuating trend with the allocation over the MTEF including national priority funding for child and youth care and victim empowerment, and the provision of shelters for victims of gender-based violence. Additional funding was given to the department from 2015/16 to 2017/18 to provide for a 6 per cent increase in transfers to NPOs, and the department is undertaking a rationalisation process to ensure that they can fund the carry-through of this increase from 2018/19 onward.

Table 5.7 : Analysis of payments and estimates summary by economic classification - Social Development

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	2020/21	2014/15-2017/18
R thousand									
Current	1 520 152	1 614 697	1 671 707	1 862 698	2 091 758	2 243 154	2 432 391		
Transfers	806 210	827 552	914 732	959 661	1 021 127	1 094 004	1 146 681		
Capital	161 070	152 669	150 248	164 005	174 997	145 236	131 696		
Financial assets	-	15 439	17 390	-	-	-	-		
Compensation	1 156 790	1 238 550	1 286 973	1 435 173	1 648 830	1 773 684	1 912 423		
Non-compensation	1 330 642	1 371 807	1 467 104	1 551 191	1 639 052	1 708 710	1 798 345		
Non-compensation (excl. transfers)	524 432	544 255	552 372	591 530	617 925	614 706	651 664		
Non-compensation non-capital (NCNC)	1 330 642	1 356 368	1 449 714	1 551 191	1 639 052	1 708 710	1 798 345		
NCNC (excl. transfers)	524 432	528 816	534 982	591 530	617 925	614 706	651 664		
Total expenditure	2 487 432	2 610 357	2 754 077	2 986 364	3 287 882	3 482 394	3 710 768		
% of total expenditure									
Current	61.1	61.9	60.7	62.4	63.6	64.4	65.5		
Transfers	32.4	31.7	33.2	32.1	31.1	31.4	30.9		
Capital	6.5	5.8	5.5	5.5	5.3	4.2	3.5		
Financial assets	-	0.6	0.6	-	-	-	-		
Compensation	46.5	47.4	46.7	48.1	50.1	50.9	51.5		
Non-compensation	53.5	52.6	53.3	51.9	49.9	49.1	48.5		
Non-compensation (excl. transfers)	21.1	20.8	20.1	19.8	18.8	17.7	17.6		
Non-compensation non-capital (NCNC)	53.5	52.0	52.6	51.9	49.9	49.1	48.5		
NCNC (excl. transfers)	21.1	20.3	19.4	19.8	18.8	17.7	17.6		
Nominal growth (%)									
Current		6.2	3.5	11.4	12.3	7.2	8.4	7.0	9.3
Transfers		2.6	10.5	4.9	6.4	7.1	4.8	6.0	6.1
Capital		(5.2)	(1.6)	9.2	6.7	(17.0)	(9.3)	0.6	(7.1)
Financial assets		-	12.6	(100.0)	-	-	-	-	-
Compensation		7.1	3.9	11.5	14.9	7.6	7.8	7.5	10.0
Non-compensation		3.1	6.9	5.7	5.7	4.2	5.2	5.2	5.1
Non-compensation (excl. transfers)		3.8	1.5	7.1	4.5	(0.5)	6.0	4.1	3.3
Non-compensation non-capital (NCNC)		1.9	6.9	7.0	5.7	4.2	5.2	5.2	5.1
NCNC (excl. transfers)		0.8	1.2	10.6	4.5	(0.5)	6.0	4.1	3.3
Real growth (%)									
Current		1.0	(2.6)	6.2	6.4	1.8	2.8	1.0	3.5
Transfers		(2.4)	4.0	0.0	0.9	1.7	(0.6)	0.0	0.5
Capital		(9.9)	(7.4)	4.1	1.1	(21.2)	(14.1)	(5.1)	(12.0)
Financial assets		(4.9)	6.0	(100.0)	(5.2)	(5.0)	(5.2)	-	-
Compensation		1.8	(2.2)	6.3	8.9	2.2	2.2	1.4	4.2
Non-compensation		(2.0)	0.6	0.8	0.2	(1.0)	(0.2)	(0.7)	(0.5)
Non-compensation (excl. transfers)		(1.3)	(4.5)	2.1	(1.0)	(5.5)	0.5	(1.8)	(2.2)
Non-compensation non-capital (NCNC)		(3.1)	0.5	2.0	0.2	(1.0)	(0.2)	(0.7)	(0.5)
NCNC (excl. transfers)		(4.1)	(4.8)	5.4	(1.0)	(5.5)	0.5	(1.8)	(2.2)

5.3.5 Analysis of payments and estimates by economic classification – Other departments

Table 5.8 shows the remaining departments' payments and estimates by economic classification (i.e. all departments excluding DOE, DOH and DSD).

The share of *Current* to total budget increases from 44.6 per cent in 2014/15, to 54.2 per cent in 2020/21, to cater for departments' operational needs, and continuation of various projects and the anticipated filling of critical posts, as well as additional funding for the above-budget wage adjustment allocated to all departments in 2020/21.

Transfers remains at a fairly steady share of 30.3 per cent over the MTEF. This category caters for transfers relating to the HSDG, transfers to various public entities, among others.

Capital shows a declining trend from 16.3 per cent to 15.6 per cent over the MTEF. This is mainly due to the completion of various infrastructure projects by several departments. The fiscal consolidation budget cut against the PRMG and the CASP grant has also had an impact on this category over the 2018/19 MTEF. Some departments, for example DSD and DAC, have suspended funds from 2017/18 to 2018/19 for various projects, and this has also had an impact on this category.

Table 5.8 : Analysis of expenditure summary by classification - Other

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	2014/15-2017/18	2017/18-2020/21
R thousand									
Current	10 624 443	10 793 015	11 765 292	13 128 212	13 863 953	14 633 692	15 578 648		
Transfers	8 654 455	8 932 468	7 665 357	8 248 781	7 858 877	8 204 366	8 677 133		
Capital	4 539 923	4 788 895	4 394 731	4 446 257	4 229 596	4 237 500	4 487 403		
Financial assets	5 568	14 723	28 545	795	-	-	-		
Compensation	4 481 424	4 831 700	5 135 310	5 735 547	6 482 540	6 986 785	7 591 678		
Non-compensation	19 342 965	19 697 401	18 718 615	20 088 498	19 469 886	20 088 773	21 151 506		
Non-compensation (excl. transfers)	10 688 510	10 764 933	11 053 258	11 839 717	11 611 009	11 884 407	12 474 373		
Non-compensation non-capital (NCNC)	19 337 397	19 682 678	18 690 070	20 087 703	19 469 886	20 088 773	21 151 506		
NCNC (excl. transfers)	10 682 942	10 750 210	11 024 713	11 838 922	11 611 009	11 884 407	12 474 373		
Total expenditure	23 824 389	24 529 101	23 853 925	25 824 045	25 952 426	27 075 558	28 743 184		
% of total expenditure									
Current	44.6	44.0	49.3	50.8	53.4	54.0	54.2		
Transfers	36.3	36.4	32.1	31.9	30.3	30.3	30.2		
Capital	19.1	19.5	18.4	17.2	16.3	15.7	15.6		
Financial assets	0.0	0.1	0.1	0.0	-	-	-		
Compensation	18.8	19.7	21.5	22.2	25.0	25.8	26.4		
Non-compensation	81.2	80.3	78.5	77.8	75.0	74.2	73.6		
Non-compensation (excl. transfers)	44.9	43.9	46.3	45.8	44.7	43.9	43.4		
Non-compensation non-capital (NCNC)	81.2	80.2	78.4	77.8	75.0	74.2	73.6		
NCNC (excl. transfers)	44.8	43.8	46.2	45.8	44.7	43.9	43.4		
Nominal growth (%)									
Current		1.6	9.0	11.6	5.6	5.6	6.5	7.3	5.9
Transfers		3.2	(14.2)	7.6	(4.7)	4.4	5.8	(1.6)	1.7
Capital		5.5	(8.2)	1.2	(4.9)	0.2	5.9	(0.7)	0.3
Financial assets		164.4	93.9	(97.2)	(100.0)	-	-	(47.7)	(100.0)
Compensation		7.8	6.3	11.7	13.0	7.8	8.7	8.6	9.8
Non-compensation		1.8	(5.0)	7.3	(3.1)	3.2	5.3	1.3	1.7
Non-compensation (excl. transfers)		0.7	2.7	7.1	(1.9)	2.4	5.0	3.5	1.8
Non-compensation non-capital (NCNC)		1.8	(5.0)	7.5	(3.1)	3.2	5.3	1.3	1.7
NCNC (excl. transfers)		0.6	2.6	7.4	(1.9)	2.4	5.0	3.5	1.8
Real growth (%)									
Current		(3.4)	2.5	6.4	0.1	0.2	0.9	1.3	0.3
Transfers		(1.9)	(19.3)	2.6	(9.7)	(0.9)	0.2	(7.1)	(3.7)
Capital		0.3	(13.7)	(3.6)	(9.8)	(4.9)	0.4	(6.3)	(5.0)
Financial assets		151.4	82.4	(97.3)	(100.0)	(5.0)	(5.2)	(50.7)	(100.0)
Compensation		2.5	(0.0)	6.5	7.1	2.4	3.0	2.5	4.0
Non-compensation		(3.2)	(10.6)	2.3	(8.1)	(2.0)	(0.2)	(4.4)	(3.7)
Non-compensation (excl. transfers)		(4.3)	(3.4)	2.1	(7.0)	(2.8)	(0.5)	(2.4)	(3.6)
Non-compensation non-capital (NCNC)		(3.2)	(10.7)	2.5	(8.1)	(2.0)	(0.2)	(4.4)	(3.7)
NCNC (excl. transfers)		(4.3)	(3.5)	2.4	(7.0)	(2.8)	(0.5)	(2.3)	(3.6)

5.4 Payments and estimates by functional area

Table 5.9 shows the summary of payments and estimates by functional or policy area, details of which are shown in *Annexure 1.E (a) and (b)*.

Table 5.9 : Summary of payments and estimates by functional area

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
R thousand									
General Public Services	5 132 070	5 122 708	5 267 071	5 442 587	5 669 952	5 692 660	5 772 292	6 091 913	6 484 374
Public Order and Safety	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765
Economic Affairs	12 536 752	12 901 871	12 769 386	13 338 746	13 554 627	13 660 870	13 837 421	14 422 230	15 297 144
Environmental Protection	933 738	928 753	819 784	956 414	973 970	971 176	1 009 677	1 042 756	1 102 824
Housing and Community Amenities	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407
Health	30 704 059	33 528 865	36 392 758	38 914 716	39 322 738	39 801 604	41 745 852	44 381 315	47 784 672
Recreation, Culture and Religion	1 179 437	1 216 751	1 234 219	1 353 932	1 313 241	1 313 241	1 431 808	1 470 570	1 525 182
Education	39 831 466	43 726 507	46 632 708	48 175 497	48 562 014	48 968 362	51 548 282	54 408 030	58 469 055
Social Protection	2 476 468	2 599 425	2 743 276	3 028 218	2 973 218	2 934 198	3 274 136	3 467 727	3 695 115
Total	96 846 407	104 346 716	109 594 851	115 258 466	116 640 980	117 613 331	122 491 654	129 300 386	138 658 538

The provincial budget has been negatively impacted by various budget cuts over the last few years, as mentioned previously in this *OPRE*. These cuts have had an impact on all 15 Votes. The analysis below explains what each category consists of, while a detailed analysis on the trends is available in each Vote's chapter in the *EPRE*.

Table 5.9 shows that the highest expenditure is on *Education*. The category makes provision for education including public ordinary schools, public special school education, ECD and infrastructure development.

The second largest expenditure is on *Health*. This reflects the province's commitment to provide effective and efficient health care services to the people of the province.

Economic Affairs comprises DOT (catering for the construction and maintenance of the road network, public transport services and law enforcement), DARD (providing support to food insecure communities at subsistence and household food production level), EDTEA (radical economic transformation, the development of SMMEs and the film industry, rhino anti-poaching campaign, among others) and a portion of Provincial Treasury in prior years (community outreach programmes and special projects).

General Public Services includes the Legislature (provides oversight role over all provincial departments) and administrative departments such as Provincial Treasury (caters for financial management, internal audit, SCM, as well as support for transversal and interlinked financial systems), OTP (provides for cross-cutting and transversal activities, such as OSS, Integrity Management, youth development, support to His Majesty, the King, as well as transfers to its public entities), COGTA (provides support and ensures that there is alignment between the national, provincial, and local government priorities, promotes good governance and enhances financial management in municipalities, as well as provides support and builds the capacity of traditional institutions), DOPW (provides for municipal property rates payments, the implementation of GIAMA projects, as well as infrastructure projects), and a portion of DOT (provides for administrative, strategic, financial and corporate support services).

Housing and Community Amenities relates to DOHS, and is mainly in respect of the HSDG, for the provision of low income housing programmes, including project linked subsidies, people's housing programmes, integrated residential development programmes, rural housing subsidies, informal settlement upgrades, social housing, etc.

Social Protection relates to DSD and caters for various social services, such as services to older persons and persons with disabilities, care and services to families, child care and protection services, ECD, victim empowerment, substance abuse programme, youth and women development, among others.

Recreation, Culture and Religion falls under DOSR and DAC. DOSR provides sport and recreation facilities and the School Sport programme, while DAC ensures the cultural advance of KZN through hosting various cultural events and provision of reading and writing material, the provincialisation of museums and libraries, as well as the construction of new libraries and museums.

Environmental Protection relates to Environmental Affairs under EDTEA and is made up of Environmental Affairs and transfers to Ezemvelo KZN Wildlife (EKZNW). The category mainly caters for integrated sustainable environmental planning, management of waste and pollutants, empowering communities with regard to sustainable resource utilisation, among others.

Public Order and Safety relates to the Department of Community Safety and Liaison, and performs the function of safety information analysis, crime awareness projects, including school safety, substance abuse and stock theft, among others.

5.5 Infrastructure payments and estimates

5.5.1 Introduction

KZN has made substantial progress in the delivery of public economic infrastructure such as roads, as well as social infrastructure such as schools, health facilities, etc. The continued investment in socio-economic infrastructure contributes positively to the economic growth of KZN and the well-being of society. Integrated and sustainable development in rural and urban areas through infrastructure development is a priority in this province. This is evident in the infrastructure investment made with the Nkululeko Development projects at Ndumo in the uMkhanyakude District. Through this initiative, the province has built a new library, a new sports field, bulk water supply, upgrading of a gravel road to a blacktop road and a model Mathematics, Science and Technology school. DOHS contributed through the construction of low income and subsidised housing. In urban areas where there is a high population density, the focus is on both building new, as well as maintaining existing infrastructure.

5.5.1.1 Infrastructure management

The KZN-Infrastructure Delivery Management System (KZN-IDMS) framework was reviewed to include all departments that have infrastructure budgets. IDMS was piloted in DOH, DOE and DOPW, as well as Provincial Treasury. The system aims to standardise processes from project initiation to its maintenance and/or operation. IDMS implementation was positively impacted in 2015/16 when an instruction note from National Treasury was issued enforcing the implementation of the Standard for Infrastructure Procurement and Delivery Management. The standard enforces alignment to the construction procurement environment, thus ensuring each project stage is documented and approved by relevant authorities.

In-year infrastructure reporting is achieved through the Infrastructure Reporting Model (IRM). All departments are expected to report detailed project data on the IRM, while ensuring that reported information is consistent with other reporting systems.

A detailed infrastructure analysis is presented in the *2018/19 Estimates of Capital Expenditure (ECE)*.

5.5.2 Trends in infrastructure payments and estimates

The infrastructure payments and estimates by category are shown in Table 5.10.

Table 5.10 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Existing infrastructure assets	8 319 239	8 296 870	8 146 915	8 125 526	8 770 200	8 720 393	8 049 159	8 495 160	9 065 118
Maintenance and repair: Current	2 432 806	2 137 625	2 836 496	3 736 639	3 707 618	3 700 019	3 344 884	3 481 050	3 689 395
Upgrades and additions: Capital	4 165 533	4 173 440	3 414 884	2 705 798	3 687 335	3 620 741	3 199 175	3 473 317	3 306 030
Refurbishment and rehabilitation: Capital	1 720 900	1 985 805	1 895 535	1 683 089	1 375 247	1 399 633	1 505 100	1 540 792	2 069 692
New infrastructure assets: Capital	1 638 042	1 757 868	1 861 223	2 266 954	1 880 714	1 962 330	1 941 441	1 394 715	1 357 662
Infrastructure transfers	656 524	877 969	644 629	677 194	652 475	643 319	686 542	709 404	740 864
Infrastructure transfers: Current	3 300	2 450	1 700	2 000	2 000	2 000	1 700	-	-
Infrastructure transfers: Capital	653 224	875 519	642 929	675 194	650 475	641 319	684 842	709 404	740 864
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	95 684	108 096	204 303	163 462	177 887	184 096	176 654	181 662	184 870
Non infrastructure	1 054 686	1 133 140	1 242 197	806 535	931 098	901 771	1 586 343	1 817 127	1 847 273
Total	11 764 175	12 173 943	12 099 267	12 039 671	12 412 374	12 411 909	12 440 139	12 598 068	13 195 787
Capital infrastructure	8 177 699	8 792 632	7 814 571	7 331 035	7 593 771	7 624 023	7 330 558	7 118 229	7 474 249
Current infrastructure	3 586 476	3 381 311	4 284 696	4 708 636	4 818 603	4 787 886	5 109 581	5 479 839	5 721 538

¹ Non infrastructure is a stand-alone item and is therefore excluded from Capital infrastructure and Current infrastructure, but is included in the total

Existing infrastructure assets makes up the largest portion of the infrastructure budget and consists of three sub-categories, namely *Maintenance and repair: Current*, *Upgrades and additions: Capital* and *Refurbishment and rehabilitation: Capital*. *Infrastructure transfers* refers to transfer of funding to other institutions, such as municipalities and public entities for infrastructure projects.

Maintenance and repair: Current caters for routine, preventative and other maintenance. The significant increase in 2017/18 was caused by a shift in focus from building new infrastructure to the maintenance of the province's existing asset base. The decrease over the 2018/19 MTEF is mainly as a result of the fiscal consolidation budget cuts against the PRMG, with DOT indicating that this cut was largely effected against the road maintenance budget.

Upgrades and additions: Capital shows a decrease from 2017/18 to the 2018/19 MTEF and this is largely due to a lower allocation to this category by DOT.

Refurbishment and rehabilitation: Capital shows positive growth from 2017/18 to 2018/19 and over the MTEF. Again, this category is influenced by the trends shown by DOT and this is partly because 2017/18 saw a significant reduction against this category to correct the budget to the 2017/18 ECE project list. The decrease is also attributable to DOH reclassifying a number of their projects as *Upgrades and additions: Capital* rather than against this category.

New infrastructure assets: Capital decreases over the 2018/19 MTEF with this decreasing trend being significantly influenced by the fact that DOH is currently constructing the Dr Pixley Ka Isaka Seme Hospital, which is expected to be complete in 2019/20.

Infrastructure transfers refers to funding transferred to various municipalities and public entities for these institutions to roll-out these infrastructure projects. The bulk of this allocation relates to the transfer by EDTEA to the Dube TradePort Corporation (DTPC) and the Richards Bay Industrial Development Zone (RBIDZ) for the implementation of various capital development projects.

Leases caters for both finance leases and operating leases.

Non-infrastructure largely relates to DOT and includes salaries of the Zibambele contractors, the mechanical budget, operational expenditure and administration in relation to maintenance of infrastructure, such as salaries for all regions and other overhead costs. For DOH, this category relates mainly to the procurement of capital medical equipment.

Table 5.11 shows the infrastructure allocations per department and it is evident that DOT, DOE and DOH are the highest infrastructure spending departments in KZN. The infrastructure budget for DOHS (i.e. the HSDG) is not included in this table as the asset, in the end, does not belong to government. Further details are provided in each Vote's chapter in the *EPRE*, as well as in the 2018/19 *ECE*.

Table 5.11 : Summary of infrastructure payments and estimates by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office of the Premier	10 049	2 271	18 189	5 034	11 147	11 147	20 502	20 115	20 564
2. Provincial Legislature	8 587	3 791	14 530	5 110	19 570	19 570	4 995	5 275	5 565
3. Agriculture and Rural Development	209 013	198 000	199 947	97 287	130 460	133 540	139 825	110 630	132 026
4. Economic Dev, Tourism and Enviro Affairs	540 775	632 203	463 691	493 524	469 564	469 564	530 513	560 222	591 034
5. Education	2 212 374	2 557 995	2 621 221	2 293 147	2 399 834	2 403 152	2 230 607	2 199 854	2 418 830
6. Provincial Treasury	31 665	10 280	-	-	-	-	-	-	-
7. Health	1 679 247	1 508 436	1 422 575	1 656 528	1 707 834	1 727 858	1 806 771	1 820 234	1 765 874
8. Human Settlements	144 915	190 062	153 728	167 698	168 939	162 953	128 706	131 629	140 971
9. Community Safety and Liaison	-	-	-	-	-	-	-	-	-
10. Sport and Recreation	62 375	41 338	46 491	67 077	68 600	68 600	48 391	48 116	49 987
11. Co-operative Governance and Traditional Affairs	41 689	43 086	110 922	20 674	42 144	42 144	43 054	31 672	38 794
12. Transport	6 506 106	6 674 684	6 765 474	6 846 738	7 071 984	7 071 984	7 108 198	7 293 849	7 721 672
13. Social Development	152 152	142 701	133 791	156 708	151 049	136 548	135 114	129 195	105 307
14. Public Works	108 762	80 325	50 557	67 282	61 446	55 046	61 139	70 406	71 506
15. Arts and Culture	56 466	88 771	98 151	162 864	109 803	109 803	182 324	176 872	133 656
Total	11 764 175	12 173 943	12 099 267	12 039 671	12 412 374	12 411 909	12 440 139	12 598 068	13 195 787

5.6 Public Private Partnerships (PPP)

The following gives an update on the PPPs in KZN.

KZN Provincial Government – New Office Park

The provincial government initiated a government office precinct project in 2009/10, which was aimed at reducing the shortage of office space in Pietermaritzburg for departments' head offices. In light of the fiscal consolidation cuts announced in 2014/15, the project was put on hold. The Provincial Executive Council instructed both Provincial Treasury and DOPW to resuscitate the project in 2015. The feasibility study had to be updated and the outcome of the feasibility study was presented to the Provincial Executive Council with instruction received to apply for TA1. The feasibility study was submitted to National Treasury, and the province received the Treasury Approval 1 (TA1). The Request for Qualification was developed and both Provincial Treasury and DOPW are awaiting the Provincial Executive Council's instruction with regard to the Black Economic Empowerment (BEE) strategy for this project prior to going out to the market. In the interim, meetings have been held with the South African National Roads Agency Limited (SANRAL) to discuss the plans for the N3 and the province's plans for the precinct. A committee will be set up to ensure synergies between the Msunduzi Municipality, SANRAL and the province, to ensure that there is alignment.

KZN Legislature

This project entails the design, finance, and construction of a new Legislature complex, comprising of offices, assembly areas, auditoriums, meeting places, health care facilities, dining facilities, parking, etc., together with other related ancillary works. The project was once suspended due to the financial crisis the province was in at the time but it was subsequently revived.

Similar to the KZN Provincial Government – New Office Park project, this project is being managed in line with the current fiscal and economic circumstances facing the province and the country.

Inkosi Albert Luthuli Central Hospital (IALCH)

DOH entered into a PPP transaction in terms of which a 15-year concession contract in respect of the IALCH was signed in December 2001 between DOH and Impilo Consortium (Pty) Ltd. Financial closure occurred in February 2002, with the hospital opening its doors on 28 June 2002. As required by the contract, the department has finalised the final works programme, as well as a contract review.

The term of this contract ended on 31 January 2017 and had to be extended by a further three years to allow the department to finalise its exit strategy. The exit strategy has since been finalised and is awaiting the approval of its recommendation by the Provincial Executive Council. A detailed feasibility study will then be undertaken, informed by the option chosen.

KwaDukuza Municipality – Solid Waste Management PPP project

The KwaDukuza Municipality identified the need to procure the most cost effective service delivery mechanism in respect of refuse removal. A team of Transaction Advisors was appointed to assist the municipality in undertaking Section 78 investigations. The feasibility study report is complete and, as required by the Municipal Systems Act, the municipality finalised public participation and stakeholder consultation. Treasury Views and Recommendation 1 (TVR1) for the project were received from National Treasury during 2016/17. The municipality issued a Request for Proposal to the market in September 2017 and is currently finalising the appointment of a service provider.

iLembe District Municipality – Water and Sanitation

In January 1999, the Borough of Dolphin Coast (now iLembe District Municipality) and Siza Water Company entered into a concession agreement whereby Siza Water Company would oversee, manage and implement the provision of water and sanitation services within the municipal boundary on a concession basis. This is a closed project, with a concession period of 30 years and the contract reviewable on a five-year basis. The district municipality is currently undertaking its fourth five-year review and five-year plan for 2019-2024, with the assistance of both Provincial and National Treasury.

5.7 Transfers

5.7.1 Transfers to public entities (listed in terms of Schedule 3 of the PFMA) and other entities

Table 5.12 shows the transfers made by departments to public entities as listed in Schedule 3 of the PFMA, as well as to other entities.

The province has 16 active public entities, of which three are listed in the PFMA as Schedule 3D entities, 11 as Schedule 3C entities, and two are currently unlisted. In line with fiscal consolidation, the province embarked on a process to rationalise its public entities. Recommendations will be implemented from 2018/19 onward and, once completed, the province will potentially remain with 11 listed public entities.

During 2017/18, the province transferred R2.162 billion to provincial public entities, and the transfers reflect inflationary growth over the MTEF. Furthermore, the province transferred R4.398 billion to other entities. Significant transfers for 2018/19 include R1.899 billion by DOE to schools relating to transfers of norms and standards funding, R1.106 billion by DOT for the payment of bus subsidies to bus operators, R1.009 billion by DSD to various NPOs for ECD and partial care and several other initiatives and R197.530 million by EDTEA for several projects implemented by other entities, such as Moses Kotane Institute (MKI), to enhance economic development through Science, Technology, Engineering and Mathematics (STEM) skills, and to the KZN Growth Fund Trust (KZNGFT) to lend funds to commercially viable projects.

More detail on these transfers is provided in the *EPRE* under each Vote's chapter.

Table 5.12 : Summary of provincial transfers to public entities by transferring department

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Transfers to public entities	2 247 705	2 286 892	2 014 412	2 011 971	2 161 996	2 161 996	2 157 027	2 236 692	2 359 336
Vote 1 : Office of the Premier	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
Amafa aKwaZulu-Natali	35 149	34 977	33 028	32 263	32 263	32 263	33 989	35 960	37 938
KwaZulu-Natal Gaming and Betting Board	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Royal Household Trust	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Vote 3 : Agriculture and Rural Dev.	178 306	162 199	147 764	190 949	188 659	188 659	178 815	188 402	198 389
Agri-Business Development Agency	106 410	99 500	94 581	134 948	121 335	121 335	120 014	126 308	132 880
Ithala Development Finance Corporation	11 080	12 193	-	-	11 323	11 323	-	-	-
Mjindi Farming (Pty) Ltd	60 816	50 506	53 183	56 001	56 001	56 001	58 801	62 094	65 509
Vote 4 : Economic Dev, Tourism and Enviro. Affairs	1 949 585	2 001 379	1 648 939	1 707 213	1 851 203	1 851 203	1 874 601	1 938 453	2 045 068
Dube TradePort Corporation	515 375	477 780	387 223	415 817	392 657	392 657	468 695	478 268	504 573
Ezemvelo KwaZulu-Natal Wildlife	703 395	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
Ithala Development Finance Corporation	278 800	192 000	77 567	45 074	150 624	150 624	100 559	102 998	108 663
KwaZulu-Natal Liquor Authority	77 282	70 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
KwaZulu-Natal Tourism Authority	109 297	117 566	116 550	116 980	116 980	116 980	124 017	130 962	138 165
KwaZulu-Natal Sharks Board	57 109	63 178	72 175	66 079	66 479	66 479	71 897	73 494	77 536
Richards Bay Industrial Development Zone	68 170	198 947	126 370	127 605	132 605	132 605	129 530	136 784	144 307
Trade and Investment KwaZulu-Natal	81 476	96 195	85 468	80 105	85 305	85 305	85 935	89 691	94 624
KwaZulu-Natal Film Commission	58 681	66 739	73 211	71 843	78 843	78 843	76 267	80 538	84 968
Vote 8 : Human Settlements	932	18 000	100 000	14 000	-	-	-	-	-
Housing Development Agency	-	18 000	-	14 000	-	-	-	-	-
Social Housing Regulatory Authority	932	-	-	-	-	-	-	-	-
Ithala Development Finance Corporation	-	-	100 000	-	-	-	-	-	-
Vote 11 : COGTA	18 850	6 150	14 550	-	-	-	-	-	-
Agri-Business Development Agency	18 850	6 150	14 550	-	-	-	-	-	-
Vote 15 : Arts and Culture	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
The Playhouse Company	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Transfers to other entities	4 370 138	4 557 391	4 551 866	4 596 617	4 400 824	4 397 158	4 613 078	4 863 609	5 132 879
1. Office of the Premier	4 226	-	27	-	-	-	-	-	-
2. Provincial Legislature	33 139	30 292	35 181	35 228	35 228	35 228	40 241	40 255	40 269
3. Agriculture and Rural Development	25 366	63 157	108 912	61 820	85 241	85 241	15 429	9 809	9 637
4. Economic Dev., Tourism and Enviro. Affairs	314 403	307 276	224 424	136 219	160 054	160 054	197 530	205 035	213 323
5. Education	1 688 344	1 734 980	1 775 966	1 854 721	1 666 521	1 667 269	1 899 060	2 008 767	2 121 449
6. Provincial Treasury	5 127	8 437	7 190	9 105	4 105	4 053	896	984	1 033
7. Health	222 051	213 402	203 929	210 687	143 454	142 226	54 870	56 513	58 508
8. Human Settlements	143 688	241 687	194 114	206 368	197 441	197 441	192 578	196 062	210 449
9. Community Safety and Liaison	-	-	-	-	-	-	-	-	-
10. Sport and Recreation	65 144	53 911	49 079	48 391	45 033	45 033	40 997	42 621	44 247
11. Co-operative Governance and Traditional Affairs	33 254	45 100	10 100	-	-	-	-	-	-
12. Transport	985 752	993 057	1 011 085	1 071 439	1 073 304	1 073 304	1 106 154	1 168 099	1 246 362
13. Social Development	786 245	817 046	883 327	930 152	951 045	947 911	1 008 758	1 080 472	1 132 403
14. Public Works	-	-	-	-	-	-	-	-	-
15. Arts and Culture	63 399	49 046	48 532	32 487	39 398	39 398	56 565	54 992	55 199
Total	6 617 843	6 844 283	6 566 278	6 608 588	6 562 820	6 559 154	6 770 105	7 100 301	7 492 215

5.7.2 Transfers to local government

Table 5.13 provides a summary of provincial transfers to local government by category, as defined in the Constitution, and reflects a fluctuating trend over the period.

Table 5.13 : Summary of transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Category A	517 367	686 945	604 051	622 847	665 331	671 445	643 799	675 776	706 377
Category B	781 009	693 149	595 970	520 696	534 164	569 635	596 473	646 950	648 708
Category C	51 438	24 731	47 484	5 151	35 213	35 213	11 695	14 954	15 467
Unallocated	1 749	167	12	60	60	(4)	60	63	66
Total	1 351 563	1 404 992	1 247 517	1 148 754	1 234 768	1 276 289	1 252 027	1 337 743	1 370 618

Category A (metropolitan council) refers to municipalities that have exclusive municipal executive and legislative authority within their areas. The transfers to the eThekweni Metro show a fluctuating trend, and relate to transfers from various departments mainly in respect of payments of property rates, the Community Library Services grant and the Corridor Development programme, among others.

Category B (local municipality) refers to a municipality that shares municipal executive and legislative authority with a category C (defined below) municipality within whose area it falls. Departments transfer funds to these municipalities for various reasons, among others, Corridor Development, Massification and the Small Town Rehabilitation programmes, construction and maintenance of sport facilities, as well as the provincialisation of public libraries and museums.

Category C (district municipality) refers to municipalities that have municipal executive and legislative authority in an area that includes more than one local municipality.

Table 5.14 presents a summary of transfers to municipalities by Vote and grant type.

Table 5.14 : Summary of transfers to local government by department and grant type

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Vote 1 : Office of the Premier	4 865	-	-	-	-	-	-	-	-
Indian Indentured labourers (eThekweni)	4 865	-	-	-	-	-	-	-	-
Vote 3: Agriculture and Rural Dev.	34	13	-	40	52	52	34	38	40
OSCA - Rates and taxes	34	13	-	40	52	52	34	38	40
Vote 4 : Economic Dev., Tourism and Enviro. Affairs	17 005	9 500	10 000	500	36 750	36 750	19 875	20 869	22 017
Africa Bike Week Event	6 000	-	-	-	-	-	-	-	-
Amakha Essential Oil	-	-	1 500	-	2 800	2 800	-	-	-
Beaches Rehabilitation	900	1 000	-	-	-	-	-	-	-
Dev of EMFs and SEAs	1 000	4 500	-	-	-	-	1 000	1 050	1 108
Drakensberg Cable Car consultation	1 793	-	-	-	-	-	-	-	-
Dundee July Event	495	-	-	-	-	-	-	-	-
Durban Fashion Fair	-	500	500	-	-	-	-	-	-
Essence Festival	-	500	500	-	-	-	-	-	-
eThekweni Innovation Forum Initiative	-	-	500	-	500	500	-	-	-
Greenest Munic. Comp	900	-	-	-	-	-	-	-	-
Ingodini Study	-	-	-	500	1 000	1 000	-	-	-
Jozini: Cecil Mack's Border Dev	-	-	-	-	1 300	1 300	1 300	1 365	1 440
Koppie Guesthouse	-	-	-	-	-	-	500	525	554
Kosi Bay Border Dev	-	-	-	-	1 250	1 250	1 200	1 260	1 329
KSIA Transport	-	-	-	-	-	-	3 000	3 150	3 323
Ladysmith Airport	-	-	2 000	-	-	-	-	-	-
Ladysmith Black Mambazo Mus. Acad.	-	-	1 000	-	-	-	3 000	3 150	3 323
Margate Airport	-	-	-	-	-	-	3 000	3 150	3 323
Mkuze Airport	-	-	-	-	28 100	28 100	2 000	2 100	2 216
Mkuze Falls	-	-	-	-	-	-	500	525	554
Mzube Trails	-	-	-	-	-	-	2 000	2 100	2 216
Nkumumathe Lodge	-	-	-	-	-	-	275	289	305
Richards Bay Airport	-	-	1 000	-	800	800	-	-	-
SMME Fair and Exhibition	992	-	-	-	-	-	-	-	-
South African Music Conference	-	1 500	1 500	-	-	-	-	-	-
Top Gear Festival	4 425	-	-	-	-	-	-	-	-
Tourism Route Strategy	500	-	-	-	-	-	2 100	2 205	2 326
Woze Durban New Year's Picnic	-	1 500	1 500	-	1 000	1 000	-	-	-
Vote 6 : Provincial Treasury	31 665	10 280	-	-	-	-	-	-	-
Shayamoya eco-complex	9 552	8 000	-	-	-	-	-	-	-
Bhongweni light industrial park	16 830	2 062	-	-	-	-	-	-	-
Msunduzi electricity-related dev	5 283	218	-	-	-	-	-	-	-
Vote 7 : Health	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Subsidy: Municipal clinics	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Vote 8 : Human Settlements	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Accredited municipalities	57 460	54 296	53 471	55 210	55 210	53 387	46 929	48 210	55 210
CRU programme	-	108 757	65 142	69 000	69 000	60 000	60 000	60 000	60 000
Rates and taxes	10 858	-	5 548	-	-	1 667	-	-	-
Vote 10 : Sport and Recreation	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Maintenance grant	3 300	1 650	1 700	2 000	2 000	2 000	1 700	-	-
Infrastructure	18 900	20 000	10 474	35 839	46 080	46 080	31 400	32 972	34 620
Vote 11 : COGTA	353 061	272 906	161 534	20 900	28 700	34 700	13 650	45 300	16 650
Con. and migration of records mgt system	-	-	1 000	-	-	-	-	-	-
Work study at merged municipalities	-	-	3 500	-	-	-	-	-	-
Promulgation of municipal by-laws	-	-	1 000	-	-	-	-	-	-
Pounds Act	1 000	-	-	-	-	-	-	-	-
Integrated Youth Development Summit	-	-	-	-	1 000	1 000	-	-	-
Municipal Excellence awards	5 000	-	-	-	-	-	-	-	-
Schemes Support programme	2 705	-	-	7 000	7 000	7 000	4 500	6 250	-
Spatial Development Framework Support	-	-	-	1 200	1 200	1 200	5 000	4 250	11 500
GIS Precinct Support	-	-	-	-	1 000	1 000	-	-	-
Corridor Development programme	92 101	-	5 526	-	-	-	-	-	-
Small Town Rehabilitation programme	109 800	50 000	76 889	-	9 750	9 750	-	30 000	-
Construction of TSCs and CSCs	5 000	-	7 500	7 500	7 500	7 500	-	-	-
Operational Support for TSCs	5 250	15 000	-	-	-	-	-	-	-
Mandela Day Marathon event	-	-	5 414	-	-	-	-	-	-
Massification prog (incl. elec. projects)	119 455	180 956	21 155	-	-	-	-	-	-
Drought relief interventions	-	-	35 000	-	-	-	-	-	-
Disaster Management	7 000	24 100	-	-	-	6 000	-	-	-
Community participation in IDPs	-	-	-	-	-	-	-	-	-
Dev. Planning and Shared Serv	4 750	2 850	4 550	5 200	1 250	1 250	2 650	3 300	3 650
Sustainable Living Exhibition	1 000	-	-	-	-	-	1 500	1 500	1 500
Vote 14 : Public Works	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Property rates	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Vote 15 : Arts and Culture	224 501	273 447	231 604	210 392	200 819	200 819	270 590	276 025	280 764
Art Centres (Operational costs)	1 729	2 587	1 911	2 911	1 911	1 911	1 911	1 911	1 911
Ladysmith Black Mambazo Mus. Acad.	-	-	-	-	-	-	5 000	8 000	-
Museum subsidies	8 181	8 142	7 759	8 558	8 958	8 958	8 987	9 438	9 957
Provincialisation of libraries	198 182	212 586	166 751	159 197	160 316	160 316	197 965	207 863	213 802
Total	1 351 563	1 404 992	1 247 517	1 148 754	1 234 768	1 276 289	1 252 027	1 337 743	1 370 618

5.8 Personnel numbers and costs

Table 5.15 provides personnel numbers, by Vote, as well as the total personnel costs for KZN.

Table 5.15 : Summary of personnel numbers and costs by Vote

Personnel numbers	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	As at 31 March 2021
1. Office of the Premier	488	511	763	626	682	682	682
2. Provincial Legislature	290	287	278	277	277	277	277
3. Agriculture and Rural Development	3 099	2 857	2 746	2 821	2 821	2 821	2 821
4. Economic Development, Tourism and Enviro Affairs	687	695	658	630	726	726	757
5. Education	112 573	112 562	115 635	113 589	113 589	113 589	113 589
6. Provincial Treasury	520	560	576	494	538	557	572
7. Health	82 146	82 872	82 245	80 682	80 911	81 818	83 509
8. Human Settlements	609	650	589	615	678	678	678
9. Community Safety and Liaison	166	182	168	177	220	220	220
10. Sport and Recreation	1 349	1 329	883	1 074	520	437	437
11. Co-operative Governance and Traditional Affairs	1 650	1 892	1 691	1 762	1 951	1 972	1 992
12. Transport	5 284	5 369	5 264	5 427	6 691	6 691	6 691
13. Social Development	9 250	9 055	7 749	7 921	7 923	7 923	8 151
14. Public Works	1 886	1 852	1 760	1 695	1 751	1 751	1 760
15. Arts and Culture	517	578	665	584	665	680	688
Total	220 514	221 251	221 670	218 374	219 943	220 822	222 824
Total personnel cost (R thousand)	57 608 600	62 313 286	67 307 573	72 264 101	77 110 688	82 346 568	88 972 886
Unit cost (R thousand)	261	282	304	331	351	373	399

5.9 Information on training

Table 5.16 provides a summary of the amounts spent by department on training.

Table 5.16 : Summary of payments and estimates on training by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the Premier	2 630	5 380	3 903	9 986	9 151	3 538	8 493	8 351	8 811
2. Provincial Legislature	2 529	898	1 028	3 123	2 600	2 600	2 806	3 489	3 681
3. Agriculture and Rural Development	8 040	7 161	5 725	10 961	8 822	8 770	14 238	14 915	15 425
4. Economic Development, Tourism and Enviro Affairs	2 362	3 647	2 736	3 474	3 288	3 100	7 087	6 519	6 878
5. Education	131 633	141 403	77 349	326 060	217 210	127 089	220 008	239 779	254 721
6. Provincial Treasury	2 591	2 065	2 024	2 518	2 550	2 555	2 754	2 998	3 160
7. Health	1 018 949	1 058 794	1 215 150	1 241 683	1 241 683	1 241 683	1 309 351	1 382 674	1 458 721
8. Human Settlements	1 602	2 892	4 621	2 117	1 532	1 966	2 455	2 369	2 444
9. Community Safety and Liaison	10 107	797	1 416	4 476	4 476	2 085	3 480	3 668	4 080
10. Sport and Recreation	6 633	6 879	2 563	6 324	6 124	6 124	6 434	6 694	6 862
11. Co-operative Governance and Traditional Affairs	1 528	1 112	1 490	1 800	1 540	1 541	1 903	2 009	2 120
12. Transport	3 444	6 496	7 987	6 912	6 912	6 912	9 005	9 508	10 029
13. Social Development	4 499	8 418	10 367	6 789	6 922	6 871	7 648	9 279	9 790
14. Public Works	2 935	7 197	5 340	9 717	12 525	10 852	10 051	10 209	10 609
15. Arts and Culture	649	2 759	4 786	3 154	3 154	3 154	4 093	3 952	4 167
Total	1 200 131	1 255 898	1 346 485	1 639 094	1 528 489	1 428 840	1 609 806	1 706 413	1 801 498

Note: The costs in this table do not equal Training and development in Annexure 1B as this table also includes internal bursaries, among others

Table 5.17 reflects departmental payments on training per programme over the seven-year period. The table also illustrates the number of staff, volunteers/contract employees and external role players that are affected by the various training programmes and initiatives.

Table 5.17 : Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	220 583	221 320	221 739	218 443	218 443	218 443	220 012	220 891	222 893
Number of personnel trained	50 022	61 045	61 784	65 360	65 367	65 248	70 068	73 669	77 640
of which									
Male	24 945	27 802	28 937	30 626	30 629	30 586	32 807	34 519	36 380
Female	25 077	33 243	32 847	34 734	34 738	34 662	37 262	39 150	41 260
Number of training opportunities	53 273	67 523	67 347	69 536	69 552	69 507	73 330	77 416	81 666
of which									
Tertiary	4 618	6 400	6 830	6 933	6 939	6 939	7 201	7 608	8 024
Workshops	4 068	5 060	4 381	4 084	4 088	4 055	4 258	4 472	4 714
Seminars	595	560	606	601	604	592	621	655	692
Other	43 992	55 503	55 530	57 919	57 922	57 922	61 250	64 681	68 236
Number of bursaries offered	17 476	8 435	9 902	10 555	10 629	10 624	11 215	11 832	12 494
Number of interns appointed	1 325	1 210	1 360	1 429	1 477	1 447	1 484	1 547	1 638
Number of learnerships appointed	477	396	374	387	407	407	370	400	442
Number of days spent on training	7 663	7 327	7 841	4 598	4 559	4 559	6 007	6 195	6 416

6. MEASURING PERFORMANCE IN GOVERNMENT

The Department of Performance, Monitoring and Evaluation (DPME) is the lead department regarding the measuring of government performance. From 2015/16, the responsibility of collecting and assessing departments' non-financial data at provincial level devolved from Provincial Treasury to OTP. As a result, OTP is also the responsible department for the assessment of SPs and APPs. Due to human resource capacity constraints within OTP, a protocol agreement between Provincial Treasury and OTP was signed whereby Provincial Treasury was the point of delivery for non-financial quarterly inputs (QPR) and was responsible for the collation and submission of this data to DPME. From 2017/18, though, OTP is now fully capacitated to carry-out this function and the protocol agreement previously signed with the Provincial Treasury has fallen away.

Uniform budget and programme structures for 2018/19 are applicable to all departments. Note that OTP, Provincial Treasury, DOPW and DAC do not fully comply with the uniform structure at this stage. Apart from deviations currently under discussion with National Treasury in this regard, it must be noted that Gaming and Betting falls under OTP and not EDTEA in this province, and Heritage falls under OTP and not DAC, as required by the uniform structure. As with the uniform budget structures, performance information is also standardised in a number of sectors. Currently these include DOE, DOH, DSD, EDTEA, COGTA, DARD, DOT, DOPW, DOSR and DAC, and these standardised measures are included in each chapter of the *EPRE*. With regard to OTP, the Provincial Legislature, EDTEA, Provincial Treasury, DOHS and Department of Community Safety and Liaison, these departments do not have standardised measures but a selection of their measures, as set out in their APPs, are included in each chapter.

ANNEXURE – OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table 1.A : Details of provincial own receipts

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Tax receipts	2 045 246	2 081 369	2 206 455	2 212 785	2 212 785	2 259 000	2 319 835	2 394 219	2 468 214
Casino taxes	467 319	487 788	502 243	510 227	510 227	510 874	518 570	524 843	531 391
Horse racing taxes	71 205	78 102	80 225	76 497	76 497	81 273	81 715	82 817	83 973
Liquor licences	25 596	25 306	24 456	28 898	28 898	28 898	25 500	26 500	27 500
Motor vehicle licences	1 481 126	1 490 173	1 599 531	1 597 163	1 597 163	1 637 955	1 694 050	1 760 059	1 825 350
Sale of goods and services other than capital assets	460 875	419 939	456 481	476 323	476 323	454 598	468 145	493 394	525 859
Sale of goods and services produced by dept. (excl. capital assets)	459 907	418 681	446 069	475 275	475 275	453 828	467 038	492 223	524 625
Sales by market establishments	35 331	36 692	37 718	46 688	46 688	39 057	46 538	48 909	52 374
Administrative fees	121 164	113 885	101 472	132 067	132 067	95 347	108 444	112 728	121 334
Other sales	303 412	268 104	306 879	296 520	296 520	319 424	312 056	330 586	350 917
<i>of which</i>	-	-	-	-	-	-	-	-	-
Health patient fees	202 999	168 825	199 659	177 130	177 129	182 513	185 060	195 133	205 770
Tuition fees	34 539	33 377	33 917	38 116	38 116	41 688	36 086	36 849	38 678
Other	4 752	6 086	8 751	11 501	11 501	12 840	4 873	5 095	5 368
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	968	1 258	10 412	1 048	1 048	770	1 107	1 171	1 234
Transfers received from:	-	1 535	365	-	-	280	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	1 535	365	-	-	280	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	44 808	46 493	48 665	41 615	41 615	39 273	58 441	61 894	59 674
Interest, dividends and rent on land	313 851	399 059	298 951	218 406	218 406	337 041	296 961	301 329	316 696
Interest	313 527	398 637	298 618	217 972	217 972	336 397	296 473	300 824	316 181
Dividends	23	25	28	27	27	30	30	31	32
Rent on land	301	397	305	407	407	614	458	474	483
Sale of capital assets	48 899	23 034	50 782	30 466	30 466	69 652	30 443	32 584	33 413
Land and subsoil assets	14 009	-	1 837	12 600	12 600	10 120	13 343	14 091	14 866
Other capital assets	34 890	23 034	48 945	17 866	17 866	59 532	17 100	18 493	18 547
Transactions in financial assets and liabilities	235 316	289 174	140 321	59 032	59 032	73 161	62 613	66 186	69 756
Total	3 148 995	3 260 603	3 202 020	3 038 628	3 038 628	3 233 005	3 236 438	3 349 606	3 473 612

Overview of Provincial Revenue and Expenditure

Table 1.B : Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	76 382 678	82 946 028	89 864 086	95 892 956	96 353 373	97 107 525	102 716 170	109 101 879	117 436 693
Compensation of employees	57 608 600	62 313 286	67 307 573	73 154 096	72 037 059	72 264 101	77 110 688	82 346 568	88 972 886
Salaries and wages	50 131 323	53 868 351	58 304 775	60 257 164	59 271 043	62 558 378	65 596 854	70 126 016	76 215 674
Social contributions	7 477 277	8 444 935	9 002 798	12 896 932	12 766 016	9 705 723	11 513 834	12 220 552	12 757 212
Goods and services	18 770 083	20 492 911	22 552 424	22 736 654	24 312 772	24 838 443	25 601 370	26 753 169	28 461 534
Administrative fees	23 816	35 952	52 644	39 425	45 726	57 605	46 419	45 948	48 490
Advertising	140 474	196 179	162 477	141 930	161 139	162 157	183 600	181 900	192 542
Minor assets	122 384	128 436	117 818	148 279	164 884	144 338	126 490	150 575	155 531
Audit cost: External	195 426	163 497	88 107	96 692	103 381	113 969	101 052	108 049	113 362
Bursaries: Employees	79 373	98 902	78 260	81 044	80 405	102 002	86 491	91 110	96 071
Catering: Departmental activities	147 118	128 634	142 880	123 344	116 243	128 750	125 267	132 441	139 402
Communication (G&S)	311 506	299 450	340 223	302 891	299 455	323 017	308 809	331 164	350 919
Computer services	530 743	567 136	667 012	660 632	677 397	646 760	680 661	705 309	740 277
Cons & prof serv: Business and advisory services	739 696	743 951	755 658	895 546	789 241	834 711	692 240	751 800	784 360
Infras and planning	184 578	212 288	284 056	282 052	336 332	231 142	368 314	367 810	392 807
Laboratory services	913 617	1 357 021	1 619 485	1 754 322	2 045 296	2 227 016	2 068 590	1 975 736	2 087 474
Scientific and tech services	-	-	-	-	-	-	-	-	-
Legal costs	72 085	188 079	122 274	67 865	116 595	150 211	114 932	122 338	128 598
Contractors	2 138 872	2 238 803	2 654 252	2 419 009	2 508 230	2 570 857	2 791 609	2 768 377	2 859 883
Agency and support / outsourced services	2 477 211	2 637 453	2 445 548	2 465 495	2 669 571	2 710 619	2 783 421	2 881 540	3 063 230
Entertainment	740	273	298	917	783	836	873	919	969
Fleet services (incl. govt motor transport)	522 433	536 080	542 648	562 448	624 926	633 833	625 582	600 673	633 950
Housing	-	-	-	-	-	3	-	-	-
Inventory: Clothing material and accessories	23 189	38 793	30 800	49 996	50 634	45 919	51 293	47 921	50 703
Inventory: Farming supplies	145 546	262 542	196 585	95 529	139 066	136 799	230 735	261 959	262 725
Inventory: Food and food supplies	121 365	120 872	122 841	145 263	130 772	128 542	129 675	141 536	149 317
Inventory: Fuel, oil and gas	171 442	161 160	180 317	165 707	99 689	93 211	131 494	138 335	146 045
Inventory: Learner and teacher support material	455 957	614 788	627 407	585 728	756 026	631 696	614 392	646 278	679 964
Inventory: Materials and supplies	132 628	133 042	129 077	176 400	207 316	177 052	157 061	156 521	164 977
Inventory: Medical supplies	1 511 591	1 480 300	1 542 426	1 671 319	1 693 434	1 689 842	1 672 724	1 748 143	1 868 592
Inventory: Medicine	2 412 220	2 926 015	3 587 916	3 546 015	3 673 808	3 948 069	4 573 396	4 993 469	5 486 775
Medas inventory interface	3	-	-	-	-	-	-	-	-
Inventory: Other supplies	165 983	215 548	266 648	220 387	370 172	281 361	419 046	450 982	472 771
Consumable supplies	348 572	394 471	489 268	489 012	324 722	295 391	332 844	314 767	327 655
Consumable: Stationery, printing and office supplies	238 875	298 810	182 145	240 361	221 669	204 813	232 182	240 088	254 369
Operating leases	453 623	393 647	484 427	548 217	546 725	554 139	553 563	592 133	619 866
Property payments	1 967 793	2 178 043	2 532 870	2 622 291	2 921 761	3 013 927	3 001 926	3 178 519	3 431 236
Transport provided: Departmental activity	298 864	369 549	386 363	430 030	346 712	498 798	372 043	393 795	404 436
Travel and subsistence	774 539	778 052	869 459	723 117	724 036	822 431	855 096	903 580	953 509
Training and development	150 910	121 164	87 021	345 134	221 264	105 149	246 716	260 557	276 829
Operating payments	175 902	246 521	446 346	282 359	697 110	826 452	731 720	761 045	794 444
Venues and facilities	189 114	176 279	150 443	132 813	131 127	118 181	119 647	123 963	133 266
Rental and hiring	431 895	51 181	166 425	225 085	227 125	228 845	71 467	183 889	196 190
Interest and rent on land	3 995	139 831	4 089	2 206	3 542	4 981	4 112	2 142	2 273
Interest	3 932	139 674	4 002	2 131	3 342	4 905	3 897	1 919	2 042
Rent on land	63	157	87	75	200	76	215	223	231
Transfers and subsidies to	12 146 645	12 511 265	11 561 270	11 580 777	11 988 499	12 229 087	11 851 129	12 386 369	13 067 927
Provinces and municipalities	1 365 806	1 417 730	1 262 221	1 164 447	1 251 420	1 292 898	1 269 843	1 356 492	1 390 193
Provinces	14 243	12 738	14 704	15 693	16 652	16 609	17 816	18 749	19 575
Provincial Revenue Funds	325	285	285	246	-	-	257	268	151
Provincial agencies and funds	13 918	12 453	14 419	15 447	16 652	16 609	17 559	18 481	19 424
Municipalities	1 351 563	1 404 992	1 247 517	1 148 754	1 234 768	1 276 289	1 252 027	1 337 743	1 370 618
Municipalities	1 330 559	1 395 479	1 240 017	1 148 214	1 229 666	1 271 187	1 240 118	1 325 236	1 357 423
Municipal agencies and funds	21 004	9 513	7 500	540	5 102	5 102	11 909	12 507	13 195
Departmental agencies and accounts	1 962 754	2 112 825	1 909 947	2 045 030	2 067 132	2 067 943	2 133 888	2 208 133	2 332 886
Social security funds	6	-	-	75	75	32	73	100	106
Entities receiving funds	1 962 748	2 112 825	1 909 947	2 044 955	2 067 057	2 067 911	2 133 815	2 208 033	2 332 780
Higher education institutions	3 046	2 000	13 617	10 980	13 024	13 024	31 138	32 695	34 494
Foreign governments and international organisations	207	292	181	228	228	228	241	255	269
Public corporations and private enterprises	1 687 664	1 707 464	1 579 867	1 371 149	1 532 725	1 532 825	1 463 896	1 533 481	1 629 624
Public corporations	1 437 972	1 491 807	1 398 634	1 300 119	1 423 857	1 423 857	1 395 044	1 469 975	1 564 841
Subsidies on production	984 952	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Other transfers	453 020	498 750	387 549	228 680	352 418	352 418	288 890	301 876	318 479
Private enterprises	249 692	215 657	181 233	71 030	108 868	108 968	68 852	63 506	64 783
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	249 692	215 657	181 233	71 030	108 868	108 968	68 852	63 506	64 783
Non-profit institutions	3 116 896	3 196 732	3 190 821	3 264 633	3 028 592	3 027 320	3 226 229	3 412 487	3 583 875
Households	4 010 272	4 074 222	3 604 616	3 724 310	4 095 378	4 294 849	3 725 894	3 842 826	4 096 586
Social benefits	374 798	344 635	338 765	232 253	253 387	268 393	246 327	258 577	272 538
Other transfers to households	3 635 474	3 729 587	3 265 851	3 492 057	3 841 991	4 026 456	3 479 567	3 584 249	3 824 048
Payments for capital assets	8 229 007	8 640 102	7 869 102	7 557 177	8 070 640	8 048 079	7 834 104	7 718 694	8 054 641
Buildings and other fixed structures	7 524 475	7 917 113	7 171 680	6 545 682	6 943 296	6 982 704	6 652 716	6 415 826	6 740 384
Buildings	3 575 088	3 686 957	3 354 376	3 029 917	3 127 830	3 171 810	3 139 173	2 852 721	2 909 322
Other fixed structures	3 949 387	4 230 156	3 817 304	3 515 765	3 815 466	3 810 894	3 513 543	3 563 105	3 831 062
Machinery and equipment	665 046	698 211	685 262	987 203	1 110 658	1 046 323	1 162 031	1 282 735	1 293 279
Transport equipment	362 908	405 347	306 689	387 673	422 060	313 285	478 141	479 027	505 605
Other machinery and equipment	302 138	292 864	378 573	599 530	688 598	733 038	683 890	803 708	787 674
Heritage assets	2 608	3 682	805	4 594	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	350	169	668	872	872	550	570	570
Land and sub-soil assets	23 000	-	-	-	-	-	-	-	-
Software and other intangible assets	13 733	20 746	11 186	19 030	13 759	16 144	13 988	14 464	15 029
Payments for financial assets	5 983	172 117	222 392	139 501	140 412	140 584	-	-	-
Total	96 764 313	104 269 512	109 516 850	115 170 411	116 552 275	117 525 275	122 401 403	129 206 942	138 559 261
Statutory payments	82 094	77 204	78 001	88 056	88 056	88 056	90 251	93 444	99 277
Total (including statutory payments)	96 846 407	104 346 716	109 594 851	115 258 467	116 640 980	117 613 331	122 491 654	129 300 386	138 658 538
Unauth. Exp. (1st charge) not available for spending	(2 500)	(157 598)	(157 056)	(139 501)	(139 501)	(139 501)	-	-	-
Baseline available for spending after 1st charge	96 843 907	104 189 118	109 437 795	115 118 966	116 501 479	117 473 830	122 491 654	129 300 386	138 658 538

Table 1.C : Information relating to conditional grants

Vote and Grant	2014/15			2015/16			2016/17			Adjusted Appropriation	Audited Expenditure	2017/18			Medium-term Estimates		
	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure			Adjusted Appropriation	Revised Transfer Estimate	Revised Exp Estimate	2018/19	2019/20	2020/21
R thousand																	
Vote 3 : Agriculture and Rural Development	319 760	319 760	319 760	300 503	300 503	308 524	300 503	300 503	300 503			297 432	297 432	297 432	314 562	294 321	312 989
CASP grant	212 632	212 632	212 632	222 155	222 155	226 161	222 155	222 155	222 155			209 598	209 598	209 598	223 975	206 650	220 496
Ilimal/Lesema Projects grant	92 093	92 093	92 093	63 876	63 876	69 401	63 876	63 876	63 876			67 356	67 356	67 356	71 263	75 253	79 392
Land Care grant	10 854	10 854	10 854	10 632	10 632	10 666	10 632	10 632	10 632			12 012	12 012	12 012	12 016	12 418	13 101
EPWP Integrated Grant for Provinces	4 181	4 181	4 181	3 840	3 840	2 296	3 840	3 840	3 840			8 466	8 466	8 466	7 308	-	-
Vote 4 : Econ. Development, Tourism and Enviro. Affairs	16 827	16 827	13 120	7 027	7 027	10 743	6 927	6 927	6 927			6 927	6 927	6 149	3 740	-	-
EPWP Integrated Grant for Provinces	16 827	16 827	13 120	7 027	7 027	10 743	6 927	6 927	6 927			6 927	6 927	6 149	3 740	-	-
Vote 5 : Education	2 796 382	2 796 382	2 847 881	3 395 026	3 395 026	3 395 026	3 554 651	3 554 651	3 440 938			3 573 374	3 573 374	3 690 181	3 577 672	3 566 338	3 885 552
Education Infrastructure grant	1 385 781	1 385 781	1 385 781	1 978 683	1 978 683	1 978 683	2 045 211	2 045 211	2 045 211			1 993 146	1 993 146	1 993 146	1 866 435	1 794 644	1 991 333
HIV and AIDS (Life-Skills Education) grant	61 988	61 988	85 683	50 588	50 588	50 588	53 096	53 096	55 074			56 115	56 115	56 115	58 922	62 155	65 450
National School Nutrition Programme (NSNP) grant	1 237 534	1 237 534	1 253 708	1 287 034	1 287 034	1 287 034	1 363 783	1 363 783	1 246 976			1 450 087	1 450 087	1 566 894	1 534 878	1 611 622	1 726 104
Maths, Science and Technology (MST) grant	64 848	64 848	75 610	59 988	59 988	59 988	62 453	62 453	63 468			61 660	61 660	61 660	61 203	64 638	67 079
OSD for Education Sector Therapists grant	41 581	41 581	41 581	13 079	13 079	13 079	-	-	-			-	-	-	-	-	-
Learners with Profound Intellectual Disabilities grant	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	2 580	2 580	5 518	3 000	3 000	3 000	27 318	27 318	27 365			4 808	4 808	4 808	27 004	-	-
EPWP Integrated Grant for Provinces	2 070	2 070	-	2 644	2 644	2 644	2 790	2 790	2 844			2 000	2 000	2 000	2 000	-	-
Vote 7 : Health	6 428 886	6 428 886	6 433 173	6 903 596	6 903 596	6 903 596	7 287 721	7 287 721	7 323 348			8 085 518	8 085 518	8 265 127	9 103 605	9 580 774	10 381 631
Health Professions Training and Development grant	292 837	292 837	292 847	299 513	299 513	299 898	312 377	312 377	312 377			331 944	331 944	331 944	351 197	370 863	391 260
Health Facility Revitalisation grant	1 362 469	1 362 469	1 362 469	1 229 775	1 229 775	1 231 997	1 114 693	1 114 693	1 121 993			1 149 355	1 149 355	1 149 355	1 202 480	1 163 049	1 216 467
National Tertiary Services grant	1 496 427	1 496 427	1 496 427	1 530 246	1 530 246	1 530 223	1 596 286	1 596 286	1 596 286			1 696 286	1 696 286	1 696 286	1 794 649	1 895 149	2 022 124
Comprehensive HIV, AIDS and TB grant	3 257 992	3 257 992	3 257 870	3 812 972	3 812 972	3 812 972	4 244 243	4 244 243	4 247 525			4 852 495	4 852 495	5 031 793	5 677 225	6 114 218	6 701 673
Social Sector EPWP Incentive Grant for Provinces	2 580	2 580	2 580	13 000	13 000	13 000	13 000	13 000	13 000			47 058	47 058	47 058	24 182	-	-
EPWP Integrated Grant for Provinces	2 581	2 581	2 581	3 682	3 682	3 682	7 122	7 122	7 122			8 400	8 400	8 400	8 896	-	-
National Health Insurance grant	14 000	14 000	18 399	14 408	14 408	9 494	-	-	-			-	-	-	44 976	47 495	50 107
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-
Vote 8 : Human Settlements	3 509 045	3 509 045	3 509 045	3 550 432	3 550 432	3 549 910	3 139 896	3 139 896	3 138 524			3 683 192	3 683 192	3 684 564	3 265 663	3 382 265	3 621 233
Human Settlements Development grant	3 509 045	3 509 045	3 509 045	3 543 852	3 543 852	3 543 852	3 124 702	3 124 702	3 123 330			3 677 567	3 677 567	3 678 939	3 152 757	3 275 125	3 508 205
Title Deeds Restoration grant	-	-	-	-	-	-	-	-	-			-	-	-	101 422	107 140	113 028
EPWP Integrated Grant for Provinces	-	-	-	6 580	6 580	6 058	15 194	15 194	15 194			5 625	5 625	5 625	11 484	-	-
Vote 9 : Community Safety and Liaison	2 580	2 580	2 580	1 000	1 000	1 000	11 043	11 043	9 658			1 487	1 487	1 487	10 321	-	-
Social Sector EPWP Incentive Grant for Provinces	2 580	2 580	2 580	1 000	1 000	1 000	11 043	11 043	9 658			1 487	1 487	1 487	10 321	-	-
Vote 10 : Sport and Recreation	95 595	95 595	93 665	93 633	93 633	93 633	106 324	106 324	104 666			112 592	112 592	112 592	102 151	104 864	111 599
Mass Participation and Sport Development grant	85 435	85 435	83 505	90 131	90 131	90 131	98 090	98 090	98 090			98 427	98 427	98 427	98 739	104 864	111 599
EPWP Integrated Grant for Provinces	2 102	2 102	2 102	2 000	2 000	2 000	2 000	2 000	1 700			2 000	2 000	2 000	2 000	-	-
Social Sector EPWP Incentive Grant for Provinces	8 058	8 058	8 058	1 502	1 502	1 502	6 234	6 234	4 876			12 165	12 165	12 165	12 165	-	-
Vote 11 : Co-op. Governance and Traditional Affairs	3 471	3 471	3 471	4 119	4 119	4 119	3 667	3 667	3 667			3 338	3 338	3 338	4 552	-	-
EPWP Integrated Grant for Provinces	3 471	3 471	3 471	4 119	4 119	4 119	3 667	3 667	3 667			3 338	3 338	3 338	4 552	-	-
Vote 12 : Transport	2 752 384	2 752 384	2 752 384	2 759 623	2 759 623	2 729 382	2 992 479	2 992 479	2 992 479			2 934 054	2 934 054	2 934 054	3 009 461	2 940 891	3 116 393
Provincial Roads Maintenance grant	1 788 158	1 788 158	1 788 158	1 719 255	1 719 255	1 749 014	1 925 378	1 925 378	1 925 378			1 828 970	1 828 970	1 828 970	1 826 745	1 772 792	1 870 031
Public Transport Operations grant	904 783	904 783	904 783	924 766	924 766	924 766	1 011 046	1 011 046	1 011 046			1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
EPWP Integrated Grant for Provinces	59 443	59 443	59 443	55 602	55 602	55 602	56 055	56 055	56 055			33 645	33 645	33 645	76 962	-	-
Vote 13 : Social Development	5 746	5 746	5 746	3 000	3 000	3 000	3 958	3 958	3 958			144 836	144 836	144 836	178 888	176 078	187 873
Social Sector EPWP Incentive Grant for Provinces	3 746	3 746	3 746	3 000	3 000	3 000	3 958	3 958	3 958			19 498	19 498	19 498	13 490	-	-
EPWP Integrated Grant for Provinces	2 000	2 000	2 000	-	-	-	-	-	-			-	-	-	107 543	113 556	121 163
Early Childhood Development grant	-	-	-	-	-	-	-	-	-			-	-	-	57 855	62 522	66 710
Social Worker Employment grant	-	-	-	-	-	-	-	-	-			-	-	-	6 023	-	-
Vote 14 : Public Works	3 168	3 168	3 168	3 056	3 056	3 057	4 471	4 471	4 471			6 588	6 588	6 588	6 023	-	-
EPWP Integrated Grant for Provinces	3 168	3 168	3 168	3 056	3 056	3 057	4 471	4 471	4 471			6 588	6 588	6 588	6 023	-	-
Vote 15 : Arts and Culture	122 754	122 754	108 428	158 969	158 969	134 173	165 162	165 162	178 198			175 093	175 093	184 971	176 397	183 917	194 072
Community Library Services grant	122 754	122 754	108 428	157 569	157 569	132 773	163 162	163 162	176 198			173 093	173 093	182 971	174 397	183 917	194 072
EPWP Incentive Grant for Provinces	-	-	-	1 400	1 400	1 400	2 000	2 000	2 000			2 000	2 000	2 000	2 000	-	-
Total	16 056 598	16 056 598	16 092 421	17 179 984	17 179 984	17 134 316	17 576 802	17 576 802	17 507 337			19 024 431	19 024 431	19 331 319	19 753 035	20 229 448	21 811 342

Table 1.D : Summary of transfers to local government

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
				2017/18					
A KZN2000 eThekweni	517 367	686 945	604 051	622 847	665 331	671 445	643 799	675 776	706 377
Total: Ugu Municipalities	52 421	62 628	62 269	41 347	41 347	47 321	50 634	53 197	56 823
B KZN212 uMdoni	8 421	23 260	31 523	9 356	9 356	9 298	12 998	13 601	13 289
B KZN213 uMzombe	9 457	10 636	1 955	3 895	3 895	1 778	4 179	4 360	5 100
B KZN214 uMuziwabantu	3 524	6 576	5 803	5 560	5 560	6 676	6 716	7 047	7 443
B KZN216 Ray Nkonyeni	26 709	16 906	17 588	22 136	22 136	29 169	24 341	25 589	28 275
C DC21 Ugu District Municipality	4 310	5 250	5 400	400	400	400	2 400	2 600	2 716
Total: uMgungundlovu Municipalities	196 966	128 196	144 234	139 919	139 964	124 919	141 264	159 862	159 228
B KZN221 uMshwathi	9 155	6 895	7 008	21 078	21 228	11 545	22 694	23 834	25 135
B KZN222 uMngeni	51 020	5 405	5 858	11 436	11 436	4 284	13 011	14 214	13 930
B KZN223 Mpofana	6 111	4 677	1 580	1 598	1 598	1 845	2 180	12 295	2 416
B KZN224 iMpindle	1 476	1 426	2 928	7 368	7 368	7 982	2 179	2 545	2 916
B KZN225 Msunduzi	110 774	103 642	108 371	95 469	95 364	95 869	95 618	100 711	106 924
B KZN226 Mkhambathini	681	1 673	1 720	1 980	1 980	1 860	2 310	2 697	3 340
B KZN227 Richmond	1 395	4 478	1 355	990	990	1 534	2 772	3 166	3 067
C DC22 uMgungundlovu District Municipality	16 354	-	15 414	-	-	-	500	400	1 500
Total: uThukela Municipalities	70 168	90 123	78 095	68 433	69 823	72 085	82 585	88 228	84 237
B KZN235 Okhahlamba	17 434	31 737	14 713	14 209	15 709	12 345	8 526	9 516	9 516
B KZN237 iNkosi Langalibalele	21 945	30 726	19 164	23 071	23 071	24 167	31 016	34 430	27 867
B KZN238 Alfred Duma	30 539	27 410	32 509	30 853	30 793	35 323	42 743	43 882	46 454
C DC23 uThukela District Municipality	250	250	11 709	300	250	250	300	400	400
Total: uMzinyathi Municipalities	84 750	118 178	53 566	40 516	40 493	46 643	42 110	55 376	47 601
B KZN241 eNdumeni	16 944	23 255	14 470	12 947	13 697	16 899	13 963	24 693	15 499
B KZN242 Nquthu	24 396	23 473	17 983	11 618	13 645	12 514	13 109	13 876	14 657
B KZN244 uMsinga	5 307	1 826	7 827	8 453	5 653	9 465	6 201	6 557	6 917
B KZN245 uMvoti	31 353	64 374	12 886	7 198	7 198	7 465	8 387	8 800	10 028
C DC24 uMzinyathi District Municipality	6 750	5 250	400	300	300	300	450	1 450	500
Total: Amajuba Municipalities	63 548	33 594	45 872	41 620	31 209	32 753	49 144	40 291	45 101
B KZN252 Newcastle	19 740	16 057	30 469	31 114	21 003	20 596	38 872	29 328	32 341
B KZN253 eMadlangeni	4 859	4 814	7 743	3 611	4 611	3 920	4 098	4 270	5 004
B KZN254 Dannhauser	37 454	6 473	6 910	5 595	5 595	8 237	5 774	6 293	7 356
C DC25 Amajuba District Municipality	1 495	6 250	750	1 300	-	-	400	400	400
Total: Zululand Municipalities	81 339	70 663	67 615	54 434	57 434	63 353	61 762	65 726	68 326
B KZN261 eDumbe	9 602	3 450	8 320	6 895	5 395	7 530	6 326	6 599	6 971
B KZN262 uPhongolo	11 339	18 714	4 762	5 044	9 544	9 724	6 861	8 149	7 540
B KZN263 AbaQulusi	20 971	16 305	12 327	10 998	10 998	12 352	11 602	12 261	12 935
B KZN265 Nongoma	6 670	7 230	8 513	6 559	6 559	8 445	8 715	8 665	9 622
B KZN266 Ulundi	30 778	21 399	31 782	23 027	23 027	23 391	25 347	25 756	28 172
C DC26 Zululand District Municipality	1 979	3 565	1 911	1 911	1 911	1 911	2 911	4 296	3 086
Total: uMkhanyakude Municipalities	39 997	39 722	35 402	38 519	79 657	80 416	49 397	51 648	55 523
B KZN271 uMhlabyalingana	13 982	23 222	11 654	13 982	15 232	15 232	16 638	17 540	18 523
B KZN272 Jozini	7 375	8 325	10 015	7 728	9 533	9 028	13 213	15 022	14 868
B KZN275 Mtubatuba	8 135	4 180	10 753	8 873	18 356	19 482	6 691	6 310	7 645
B KZN276 Big Five Hlabisa	4 455	3 995	2 980	7 436	7 436	7 574	9 155	8 891	9 387
C DC27 uMkhanyakude District Municipality	6 050	-	-	500	29 100	29 100	3 700	3 885	5 100
Total: King Cetshwayo Municipalities	67 172	64 873	61 785	50 671	57 672	67 129	62 847	65 586	70 865
B KZN281 uMfolozi	5 736	3 817	9 088	6 548	8 548	10 682	3 887	3 382	3 575
B KZN282 uMhlathuze	38 346	27 329	26 091	24 880	26 569	28 187	33 584	35 417	38 408
B KZN284 uMlalazi	9 686	19 992	8 568	7 633	8 133	11 818	8 766	9 150	9 639
B KZN285 Mthonjaneni	3 287	723	1 137	3 502	3 502	1 271	4 199	4 437	4 680
B KZN286 Nkandla	7 548	11 196	15 001	7 668	7 668	11 919	11 377	12 077	13 298
C DC28 King Cetshwayo District Municipality	2 569	1 816	1 900	440	3 252	3 252	1 034	1 123	1 265
Total: iLembe Municipalities	61 217	40 665	31 440	31 646	32 146	38 793	37 456	39 389	40 812
B KZN291 Mandeni	5 036	10 387	2 694	3 426	3 926	4 930	4 552	5 999	5 016
B KZN292 KwaDukuza	18 221	11 431	18 126	16 666	16 666	18 512	18 999	18 780	20 349
B KZN293 Ndwedwe	15 560	11 166	5 939	2 732	2 732	6 405	3 164	3 289	3 479
B KZN294 Maphumulo	11 469	7 431	4 681	8 822	8 822	8 946	10 741	11 321	11 968
C DC29 iLembe District Municipality	10 931	250	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	114 869	69 238	63 176	18 742	19 632	31 436	30 969	42 601	35 659
B KZN433 Greater Kokstad	43 338	21 995	22 147	2 607	2 607	16 438	2 968	13 382	4 302
B KZN434 uBuhlebezwe	43 842	28 655	2 942	4 929	4 929	5 680	7 048	6 590	6 697
B KZN435 uMzimkhulu	17 651	5 747	22 508	5 610	6 500	4 976	14 059	14 754	15 535
B KZN436 Dr Nkosazana Dlamini Zuma	9 288	10 741	5 579	5 596	5 596	4 342	6 894	7 475	8 625
C DC43 Harry Gwala District Municipality	750	2 100	10 000	-	-	-	-	400	500
Unallocated	1 749	167	12	60	60	(4)	60	63	66
Total	1 351 563	1 404 992	1 247 517	1 148 754	1 234 768	1 276 289	1 252 027	1 337 743	1 370 618

Table 1.E(a) : Details of payments and estimates by functional area

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
General Public Services									
Executive and Legislature	734 226	678 865	715 185	787 347	875 426	869 607	822 754	875 928	933 865
Office of the Premier	52 815	46 085	45 412	33 913	35 815	35 815	38 015	40 693	42 928
Provincial Legislature	681 411	632 780	669 773	753 434	839 611	833 792	784 739	835 235	890 937
Financial and Fiscal Services	601 262	578 159	566 991	574 473	599 498	585 802	622 394	645 678	688 075
Provincial Treasury	601 262	578 159	566 991	574 473	599 498	585 802	622 394	645 678	688 075
General Services (Public Works, Local Govt.)	3 796 582	3 865 684	3 984 895	4 080 767	4 195 028	4 237 251	4 327 144	4 570 307	4 862 434
Total: General Public Services	5 132 070	5 122 708	5 267 071	5 442 587	5 669 952	5 692 660	5 772 292	6 091 913	6 484 374
Public Order and Safety									
Police Services	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765
Community Safety and Liaison	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765
Total: Public Order and Safety	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765
Economic Affairs									
General Economic Affairs	1 999 372	1 995 683	1 715 803	1 768 427	1 758 101	1 752 896	1 936 630	2 071 383	2 189 716
Economic Dev, Tourism and Enviro Affairs	1 999 372	1 995 683	1 715 803	1 768 427	1 758 101	1 752 896	1 936 630	2 071 383	2 189 716
Agriculture	1 887 396	2 082 340	2 116 097	2 058 348	2 069 308	2 089 360	2 202 036	2 300 392	2 454 580
Agriculture and Rural Development	1 887 396	2 082 340	2 116 097	2 058 348	2 069 308	2 089 360	2 202 036	2 300 392	2 454 580
Transport	8 649 984	8 823 848	8 937 486	9 511 972	9 727 218	9 818 614	9 698 755	10 050 455	10 652 848
Transport	8 649 984	8 823 848	8 937 486	9 511 972	9 727 218	9 818 614	9 698 755	10 050 455	10 652 848
Total: Economic Affairs	12 536 752	12 901 871	12 769 386	13 338 747	13 554 627	13 660 870	13 837 421	14 422 230	15 297 144
Environmental Protection									
Environmental Affairs and Conservation	933 738	928 753	819 784	956 414	973 970	971 176	1 009 677	1 042 756	1 102 824
Total: Environmental Protection	933 738	928 753	819 784	956 414	973 970	971 176	1 009 677	1 042 756	1 102 824
Housing and Community Amenities									
Housing Development	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407
Human Settlements	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407
Total: Housing and Community Amenities	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407
Health									
Outpatient services	9 436 767	10 451 086	11 786 930	12 765 941	12 950 716	13 079 973	14 130 743	15 166 196	16 443 968
Hospital Services	21 267 292	23 077 779	24 605 828	26 148 775	26 372 022	26 721 631	27 615 109	29 215 119	31 340 704
Total: Health	30 704 059	33 528 865	36 392 758	38 914 716	39 322 738	39 801 604	41 745 852	44 381 315	47 784 672
Recreation, Culture and Religion									
Sporting and Recreational Affairs	1 179 437	1 216 751	1 234 219	1 353 932	1 313 241	1 313 241	1 431 808	1 470 570	1 525 182
Sport and Recreation	451 245	437 496	423 298	463 590	463 953	463 953	451 953	476 702	506 970
Arts and Culture	693 043	744 278	777 893	858 079	817 025	817 025	945 866	957 908	980 274
Office of the Premier	35 149	34 977	33 028	32 263	32 263	32 263	33 989	35 960	37 938
Total: Recreation, Culture and Religion	1 179 437	1 216 751	1 234 219	1 353 932	1 313 241	1 313 241	1 431 808	1 470 570	1 525 182
Education									
Pre-primary & Primary Phases	18 925 516	20 614 162	22 218 703	24 027 761	24 135 761	23 660 552	25 887 271	27 426 455	29 465 780
Secondary Education Phase	13 022 239	14 281 717	15 312 389	15 002 176	15 051 176	15 927 777	16 222 290	17 254 609	18 688 609
Subsidiary Services to Education	6 343 299	7 144 901	7 273 898	7 241 324	7 514 818	7 467 895	7 503 069	7 735 968	8 281 839
Education not defined by level	1 540 412	1 685 727	1 827 718	1 904 236	1 860 259	1 912 138	1 935 652	1 990 998	2 032 827
Total: Education	39 831 466	43 726 507	46 632 708	48 175 497	48 562 014	48 968 362	51 548 282	54 408 030	58 469 055
Social protection									
Social Services and Population Development	2 476 468	2 599 425	2 743 276	3 028 218	2 973 218	2 934 198	3 274 136	3 467 727	3 695 115
Total: Social protection	2 476 468	2 599 425	2 743 276	3 028 218	2 973 218	2 934 198	3 274 136	3 467 727	3 695 115
Total	96 846 407	104 346 716	109 594 851	115 258 467	116 640 980	117 613 331	122 491 654	129 300 386	138 658 538

Overview of Provincial Revenue and Expenditure

Table 1.E(b) : Details of function

Function	Category	Department	Programme
General Public Services	Legislative	Office of the Premier Provincial Legislature	Administration Administration Parliamentary Business Members Remuneration Office of the MEC
		All departments	
	General Services	Office of the Premier	Administration Institutional Development Policy and Governance
		Transport Public Works	Administration Administration Property Management Provision of Buildings, Structures & Equipmt.
	General Policy & Administration	Co-operative Governance and Traditional Affairs	Administration Local Governance Development and Planning Traditional Institutional Management
Public Order & Safety	Financial & Fiscal Services	Provincial Treasury	Administration Fiscal Resource Management Financial Management Internal Audit
	Police Services	Community Safety & Liaison	Administration Civilian Oversight
Economic Affairs	General Economic Affairs	Economic Dev, Tourism and Enviro Affairs	Administration Integrated Econ Dev Services Trade and Sector Development Business Regulation and Governance Economic Planning
	Agriculture	Agriculture and Rural Development	Administration Agriculture Rural Development
	Transport	Transport	Transport Infrastructure Transport Operations Transport Regulations Community Based Programme
Environmental Protection	Environmental Protection	Economic Dev, Tourism and Enviro Affairs	Environmental Affairs
Housing & Community Amenities	Housing Development	Human Settlements	Administration Housing Needs, Research and Planning Housing Development Housing Asset Management
Health	Outpatient services NEC	Health	District Health Services Health Facilities Management
	Hospital Services	Health	Administration District Health Services Emergency Medical Services Provincial Hospital Services Central Hospital Services Health Sciences & Training Health Care Support Services Health Facilities Management
Recreational, Culture and Religion	Sporting and recreational affairs services	Sport and Recreation	Administration Sport and Recreation
		Arts and Culture	Administration Cultural Affairs Libraries and Archive Services Institutional Development
		Office of the Premier	
Education	Pre-primary & Primary Levels	Education	Public Ordinary School Education Early Childhood Development
	Secondary Education Phase	Education	Public Ordinary School Education
	Education Services not defined by level	Education	Public Special School Education Independent School Subsidies Agriculture (Structured Agric Training) Health Sciences and Training
		Agriculture and Rural Development	
		Health	
	Subsidiary services to education	Education	Administration Public Ordinary School Education Public Special School Education Early Childhood Development Infrastructure Development Examination and Education Related Services
Social Protection	Social Security Services	Social Development	
	Social Services and Population Development	Social Development	Administration Social Welfare Services Children and Families Restorative Services Development and Research

Table 1.F : Donor and agency funding

Name of Donor/ Agency Organisation	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
R thousand									
Donor funding	1 478	10 791	57 227	78 400	102 942	102 942	155 383	-	-
Agriculture and Rural Development	-	2 895	-	-	-	-	-	-	-
World Health Organisation (Rabies project)	-	2 895	-	-	-	-	-	-	-
Provincial Treasury	-	7 073	57 227	78 400	102 942	102 942	155 383	-	-
Development of KwaZulu-Natal Science Parks	-	7 073	34 527	78 400	78 400	78 400	-	-	-
European Union Global Fund: Fight against HIV/AIDS, TB and Malaria	-	-	22 700	-	24 542	24 542	155 383	-	-
Health	125	60	-	-	-	-	-	-	-
MASEA Awards	125	60	-	-	-	-	-	-	-
Co-operative Governance and Traditional Affairs	1 353	763	-	-	-	-	-	-	-
Dept. of Prov. and Local Govt	1 353	763	-	-	-	-	-	-	-
Agency funding	97 358	63 222	49 336	10 962	10 962	38 974	3 922	3 922	3 922
Office of the Premier	38 020	21 700	8 870	6 800	6 800	14 875	-	-	-
NSF	28 583	3 900	5 908	-	-	6 695	-	-	-
MERSETA	9 437	11 200	2 962	6 800	6 800	8 180	-	-	-
Work Integrated Learning (SSETA)	-	5 800	-	-	-	-	-	-	-
Work Integrated Learning (PSETA)	-	800	-	-	-	-	-	-	-
Provincial Treasury	-	-	131	240	240	240	-	-	-
PSETA	-	-	131	240	240	240	-	-	-
Health	802	1 857	5 311	-	-	1 306	-	-	-
HWSETA	718	960	1 597	-	-	1 306	-	-	-
HWSETA Learnership: Dental/Oral Hygiene	-	-	1 900	-	-	-	-	-	-
HWSETA Learnership: Sign Language Training	-	-	387	-	-	-	-	-	-
HWSETA Learnership: Social Environmental Health	-	-	280	-	-	-	-	-	-
HWSETA Learnership: Tradesman RPL	-	897	-	-	-	-	-	-	-
HWSETA Learnership: TVET Graduates	-	-	450	-	-	-	-	-	-
PSETA: Church of Scotland, Ekombe & Nkandla Hosp.	84	-	-	-	-	-	-	-	-
PSETA	-	-	697	-	-	-	-	-	-
Co-operative Governance and Traditional Affairs	-	990	-	-	-	-	-	-	-
LGSETA	-	990	-	-	-	-	-	-	-
Transport	58 536	38 675	35 024	3 922	3 922	22 553	3 922	3 922	3 922
SANRAL	-	3 363	6 073	3 922	3 922	3 922	3 922	3 922	3 922
RTMC	40 000	35 312	20 710	-	-	18 390	-	-	-
eThekweni Metro	18 536	-	8 241	-	-	241	-	-	-
Total	98 836	74 013	106 563	89 362	113 904	141 916	159 305	3 922	3 922

Table 1.G(i) : Details of transfers to local government: 2018/19

Municipality		Vote 3	Vote 4	Vote 7	Vote 8		Vote 10		Vote 11					Vote 14	Vote 15					Total	
R thousand		3.1	4.1	7.1	8.1	8.2	10.1	10.2	11.1	11.2	11.3	11.4	11.5	14.1	15.1	15.2	15.3	15.4	15.5		
eThekweni Ugu Municipalities	uMdoni	-	3 000	213 394	60 000	15 235	-	-	-	-	-	1 500	-	263 458	5 097	-	75 420	6 695	-	643 799	
	uMzombe	-	5 000	-	-	4 337	-	174	-	-	400	-	1 000	16 993	368	-	18 436	3 926	-	50 634	
	uMziwabantu	-	-	-	-	-	-	58	-	-	-	-	1 000	3 401	-	-	6 704	1 835	-	12 998	
	Ray Nkonyeni	-	-	-	-	-	-	58	-	-	-	-	-	4 121	-	-	-	-	-	4 179	
	Ugu District Municipality	-	3 000	-	-	4 337	-	-	-	-	-	-	-	5 067	-	-	838	753	-	6 716	
	uMgungundlovu Municipalities	-	2 000	-	-	-	-	-	-	-	400	-	-	-	4 404	368	-	10 894	1 338	24 341	
	uMshwathi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 400	
	uMngeni	-	-	-	-	-	-	-	-	-	500	500	-	96 918	825	-	31 486	2 604	-	141 264	
	Mpofana	-	-	-	-	-	-	-	-	-	500	-	-	19 833	192	-	2 514	197	-	22 694	
	iMpendle	-	-	-	-	-	-	-	-	-	-	-	-	8 573	192	-	3 352	394	-	13 011	
uMgungundlovu District Municipality	Msunduzi	-	-	-	-	-	-	-	-	-	-	-	-	115	192	-	1 676	197	-	2 180	
	Mkambathini	-	-	-	-	-	-	-	-	-	-	-	-	306	441	-	1 676	197	-	2 179	
	Richmond	-	-	-	-	-	-	-	-	-	-	-	-	67 337	441	-	18 916	643	-	95 618	
	uThukela Municipalities	-	3 000	-	-	-	7 850	150	-	-	300	-	2 000	45 684	752	-	11 732	2 740	5 000	82 585	
	Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	-	5 879	192	-	1 676	779	-	8 526	
	iNkosi Langalibalele	-	-	-	-	-	-	-	-	-	-	-	1 000	19 029	368	-	5 028	591	5 000	31 016	
	Alfred Duma	-	3 000	-	-	3 377	7 850	150	-	-	-	-	1 000	20 776	192	-	5 028	1 370	-	42 743	
	uThukela District Municipality	-	-	-	-	-	-	-	-	-	300	-	-	-	-	-	-	-	-	300	
	Umninyathi Municipalities	-	-	-	-	-	-	116	-	-	450	-	-	30 441	633	-	7 542	2 928	-	42 110	
	eMdumeni	-	-	-	-	-	-	-	58	-	-	-	-	9 162	441	-	3 352	950	-	13 963	
Amajuba Municipalities	Nquthu	-	-	-	-	-	-	-	-	-	-	-	-	9 875	-	-	1 676	1 558	-	13 109	
	uMsinga	-	-	-	-	-	-	-	-	-	-	-	-	5 140	-	-	838	223	-	6 201	
	uMvoti	-	-	-	-	-	-	-	58	-	-	-	-	6 264	192	-	1 676	197	-	8 387	
	uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-	450	-	-	-	-	-	-	-	-	450	
	Newcastle	-	-	-	-	7 437	7 850	174	-	-	400	-	-	12 464	368	-	7 910	12 541	-	49 144	
	eMadlangeni	-	-	-	-	7 437	7 850	58	-	-	-	-	-	4 778	368	-	6 234	12 147	-	38 872	
	Dannhauser	-	-	-	-	-	-	58	-	-	-	-	-	3 005	-	-	838	197	-	4 098	
	Amajuba District Municipality	-	-	-	-	-	-	-	-	-	400	-	-	4 681	-	-	838	197	-	5 774	
	Zululand Municipalities	-	1 700	-	-	-	-	-	178	-	2 000	300	-	-	43 928	192	1 911	8 139	3 414	-	61 762
	eDumbe	-	-	-	-	-	-	-	89	-	-	-	-	-	3 467	-	-	1 676	1 094	-	6 326
uMkhanyakude Municipalities	uPhongolo	-	1 000	-	-	-	-	89	-	-	-	-	-	3 702	-	-	1 676	394	-	6 861	
	AlaQulusi	-	-	-	-	-	-	-	-	-	-	-	-	7 349	192	-	3 111	950	-	11 602	
	Nongoma	-	-	-	-	-	-	-	-	1 000	-	-	-	6 124	-	-	838	753	-	8 715	
	Ulundi	-	-	-	-	-	-	-	-	1 000	-	-	-	23 286	-	-	838	223	-	25 347	
	Zululand District Municipality	-	700	-	-	-	-	-	-	-	300	-	-	-	-	1 911	-	-	-	2 911	
	uMhlabyalingana	-	6 200	-	-	-	-	-	116	-	1 400	-	-	26 429	-	-	7 237	8 015	-	49 397	
	Jozini	-	1 200	-	-	-	-	58	-	-	-	-	-	11 982	-	-	1 676	1 722	-	16 638	
	Mubatuba	-	1 300	-	-	-	-	-	-	-	-	-	-	6 126	-	-	838	4 949	-	13 213	
	Big Five Hlabisa	-	-	-	-	-	-	58	-	650	-	-	-	2 542	-	-	3 047	394	-	6 691	
	uMkhanyakude District Municipality	-	3 700	-	-	-	-	-	-	-	750	-	-	5 779	-	-	1 676	950	-	9 155	
																			3 700		

Table 1.G(i) : Details of transfers to local government: 2018/19 (continued)

Municipality		Vote 3	Vote 4	Vote 7	Vote 8		Vote 10		Vote 11				Vote 14	Vote 15			Total			
R thousand		3.1	4.1	7.1	8.1	8.2	10.1	10.2	11.1	11.2	11.3	11.4	11.5	14.1	15.1	15.2	15.3	15.4	15.5	
King Cetshwayo Municipalities		34	975	-	-	2 213	7 850	236	-	600	300	-	-	27 316	560	-	15 817	6 946	-	62 847
uMfolozi		-	-	-	-	-	-	89	-	-	-	-	-	572	-	-	1 676	950	-	3 887
uMhlatuze		-	-	-	-	2 213	7 850	58	-	600	-	-	-	13 420	192	-	8 275	1 576	-	33 584
uMlalazi		-	-	-	-	-	-	89	-	-	-	-	-	3 699	368	-	4 190	420	-	8 766
Mthorjaneni		-	275	-	-	-	-	-	-	-	-	-	-	2 889	-	-	838	197	-	4 199
Nkandla		-	-	-	-	-	-	-	-	-	-	-	-	6 736	-	-	838	3 803	-	11 377
King Cetshwayo District Municipality		34	700	-	-	-	-	-	-	-	300	-	-	-	-	-	-	-	-	1 034
iLembe Municipalities		-	-	-	-	6 049	-	232	-	-	-	-	1 000	17 561	192	-	8 380	4 042	-	37 456
Manteni		-	-	-	-	-	-	58	-	-	-	-	-	833	-	-	2 514	1 147	-	4 552
KwaDukuza		-	-	-	-	6 049	-	58	-	-	-	-	1 000	6 081	192	-	5 028	591	-	18 999
Ndwedwe		-	-	-	-	-	-	58	-	-	-	-	-	1 489	-	-	838	779	-	3 164
Mphumulo		-	-	-	-	-	-	58	-	-	-	-	-	9 158	-	-	-	1 525	-	10 741
Ilembe District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Harry Gwala Municipalities		-	-	-	-	-	7 850	174	-	-	-	-	1 000	13 203	-	-	5 866	2 876	-	30 969
Greater Kokstad		-	-	-	-	-	-	-	-	-	-	-	-	898	-	-	1 676	394	-	2 968
uBuhlebezwe		-	-	-	-	-	-	58	-	-	-	-	1 000	4 399	-	-	838	753	-	7 048
uMzimkhulu		-	-	-	-	-	7 850	58	-	-	-	-	-	4 534	-	-	838	779	-	14 059
Dr Nkosazana Dlamini Zuma		-	-	-	-	-	-	58	-	-	-	-	-	3 372	-	-	2 514	950	-	6 894
Harry Gwala District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated/unclassified		-	-	-	-	-	-	-	-	-	-	-	-	60	-	-	-	-	-	60
Total		34	19 875	213 394	60 000	46 929	31 400	1 700	5 000	1 500	2 650	1 500	5 000	594 455	8 987	1 911	197 965	56 727	5 000	1 252 027

Key	Grant Name	Key	Grant Name
3.1	OSCA rates	11.5	Spatial development framework
4.1	Various transfers	14.1	Property rates
7.1	Municipal clinics	15.1	Museum subsidies
8.1	CRU programme	15.2	Art centres (operational costs)
8.2	Accredited municipalities	15.3	Provincialisation of libraries
10.1	Infrastructure	15.4	Community Library Services grant
10.2	Maintenance grant	15.5	Ladysmith Black Mambazo Music Academy
11.1	Small town rehabilitation programme		
11.2	Schemes support programme		
11.3	Development planning and shared services		
11.4	Sustainable living exhibition		

Table 1.G(ii) : Details of transfers to local government: 2019/20

Municipality	Vote 3	Vote 4	Vote 7	Vote 8		Vote 10		Vote 11				Vote 14	Vote 15			Total			
	3.1	4.1	7.1	8.1	8.2	10.1	10.2	11.1	11.2	11.3	11.4	11.5	14.1	15.1	15.2		15.3	15.4	15.5
R thousand																			
eThekweni	-	3 150	225 396	60 000	15 418	-	-	-	-	-	1 500	-	278 739	5 352	-	79 191	7 030	-	675 776
Ugu Municipalities	-	5 250	-	-	4 520	-	-	-	1 000	500	-	-	17 979	386	-	19 358	4 204	-	53 197
uMdoni	-	-	-	-	-	-	-	-	1 000	-	-	-	3 598	-	-	7 039	1 964	-	13 601
uMzumbane	-	-	-	-	-	-	-	-	-	-	-	-	4 360	-	-	-	-	-	4 360
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	5 361	-	-	880	806	-	7 047
Ray Nkonyeni	-	3 150	-	-	4 520	-	-	-	-	-	-	-	4 660	386	-	11 439	1 434	-	25 589
Ugu District Municipality	-	2 100	-	-	-	-	-	-	-	500	-	-	-	-	-	-	-	-	2 600
uMgungundlovu Municipalities	-	-	-	-	8 464	-	-	10 000	750	400	-	1 000	102 540	867	-	33 056	2 785	-	199 862
uMshwathi	-	-	-	-	-	-	-	-	-	-	-	-	20 983	-	-	-	211	-	23 834
uMngeni	-	-	-	-	-	-	-	-	-	-	-	1 000	9 070	202	-	3 520	422	-	14 214
Mpodana	-	-	-	-	-	-	-	10 000	-	-	-	-	122	202	-	1 760	211	-	12 295
iMpendle	-	-	-	-	-	-	-	-	250	-	-	-	324	-	-	1 760	211	-	2 545
Msunduzi	-	-	-	-	8 464	-	-	-	-	-	-	-	71 243	463	-	19 856	685	-	100 711
Mkhambathini	-	-	-	-	-	-	-	-	250	-	-	-	733	-	-	880	834	-	2 697
Richmond	-	-	-	-	-	-	-	-	250	-	-	-	65	-	-	2 640	211	-	3 166
uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	400	-	-	-	-	-	-	-	-	400
uThukela Municipalities	-	3 150	-	-	3 560	8 243	-	-	500	400	-	-	48 333	790	-	12 318	2 934	8 000	88 228
Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	-	6 220	202	-	1 760	834	-	9 516
iNkosi Langalibalele	-	-	-	-	-	-	-	-	500	-	-	-	20 132	386	-	5 279	633	8 000	34 430
Alfred Duma	-	3 150	-	-	3 560	8 243	-	-	-	-	-	-	21 981	202	-	5 279	1 467	-	43 882
uThukela District Municipality	-	-	-	-	-	-	-	10 000	-	-	400	-	-	-	-	-	-	-	400
uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-	450	-	1 000	32 206	665	-	7 920	3 135	-	55 376
eNdameni	-	-	-	-	-	-	-	10 000	-	-	-	-	9 693	463	-	3 520	1 017	-	24 693
Nquthu	-	-	-	-	-	-	-	-	-	-	-	-	10 448	-	-	1 760	1 668	-	13 876
uMsinga	-	-	-	-	-	-	-	-	-	-	-	-	5 438	-	-	880	239	-	6 557
uMvoti	-	-	-	-	-	-	-	-	-	-	-	1 000	6 627	202	-	1 760	211	-	8 800
uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-	450	-	-	-	-	-	-	-	-	1 450
Amajuba Municipalities	-	-	-	-	7 620	8 243	-	-	500	400	-	-	13 186	386	-	8 306	1 650	-	40 291
Newcastle	-	-	-	-	7 620	8 243	-	-	250	-	-	-	5 055	386	-	6 546	1 228	-	29 328
eMadlangeni	-	-	-	-	-	-	-	-	-	-	-	-	3 179	-	-	880	211	-	4 270
Dannhauser	-	-	-	-	-	-	-	-	250	-	-	-	4 952	-	-	880	211	-	6 293
Amajuba District Municipality	-	-	-	-	-	-	-	-	-	400	-	-	-	-	-	-	-	-	400
Zululand Municipalities	-	1 785	-	-	-	-	-	-	1 500	400	-	1 250	46 476	202	1 911	8 547	3 655	-	65 726
eDumbe	-	-	-	-	-	-	-	-	-	-	-	-	3 668	-	-	1 760	1 171	-	6 599
uPhongolo	-	1 050	-	-	-	-	-	-	1 000	-	-	-	3 917	-	-	1 760	422	-	8 149
AbaQulusi	-	-	-	-	-	-	-	-	-	-	-	-	7 775	202	-	3 267	1 017	-	12 261
Nongoma	-	-	-	-	-	-	-	-	500	-	-	-	6 479	-	-	880	806	-	8 665
Ulundi	-	-	-	-	-	-	-	-	-	-	-	1 250	24 637	-	-	880	239	-	25 756
Zululand District Municipality	-	735	-	-	-	-	-	-	-	400	-	-	-	-	1 911	-	-	-	4 296
uMkhanyakude Municipalities	-	6 510	-	-	-	-	-	-	1 000	-	-	-	27 961	-	-	7 599	8 578	-	51 648
uMhlabuyalingana	-	1 260	-	-	-	-	-	-	-	-	-	-	12 677	-	-	1 760	1 843	-	17 540
Jozini	-	1 365	-	-	-	-	-	-	1 000	-	-	-	6 481	-	-	880	5 296	-	15 022
Mtubatuba	-	-	-	-	-	-	-	-	-	-	-	-	2 689	-	-	3 199	422	-	6 310
Big Five Hlabisa	-	-	-	-	-	-	-	-	-	-	-	-	6 114	-	-	1 760	1 017	-	8 891
uMkhanyakude District Municipality	-	3 885	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 885

Table 1.G(ii) : Details of transfers to local government: 2019/20 (continued)

Municipality	Vote 3	Vote 4	Vote 7	Vote 8		Vote 10		Vote 11				Vote 14	Vote 15			Total			
	3.1	4.1	7.1	8.1	8.2	10.1	10.2	11.1	11.2	11.3	11.4	11.5	14.1	15.1	15.2		15.3	15.4	15.5
R thousand																			
King Cetshwayo Municipalities	38	1 024	-	-	2 396	8 243	-	-	-	350	-	-	28 902	588	-	16 609	7 436	-	65 586
uMhlozi	-	-	-	-	-	-	-	-	-	-	-	-	605	-	-	1 760	1 017	-	3 382
uMhlatuze	-	-	-	-	2 396	8 243	-	-	-	-	-	-	14 199	202	-	8 689	1 688	-	35 417
uMlalazi	-	-	-	-	-	-	-	-	-	-	-	-	3 914	386	-	4 400	450	-	9 150
Mthonjaneni	-	289	-	-	-	-	-	-	-	-	-	-	3 057	-	-	880	211	-	4 437
Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	7 127	-	-	880	4 070	-	12 077
King Cetshwayo District Municipality	38	735	-	-	-	-	-	-	-	350	-	-	-	-	-	-	-	-	1 123
Ilembe Municipalities	-	-	-	-	6 232	-	-	-	250	-	-	1 000	18 579	202	-	8 799	4 327	-	39 389
Mandeni	-	-	-	-	-	-	-	-	250	-	-	1 000	881	-	-	2 640	1 228	-	5 999
KwaDukuza	-	-	-	-	6 232	-	-	-	-	-	-	-	6 434	202	-	5 279	633	-	18 780
Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	-	1 575	-	-	880	834	-	3 289
Maphumulo	-	-	-	-	-	-	-	-	-	-	-	-	9 689	-	-	-	1 632	-	11 321
Ilembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Harry Gwala Municipalities	-	-	-	-	-	8 243	-	-	750	400	-	-	13 969	-	-	6 160	3 079	-	42 601
Greater Kokstad	-	-	-	-	-	-	-	10 000	250	-	-	-	950	-	-	1 760	422	-	13 382
uBuhlebezwe	-	-	-	-	-	-	-	-	250	-	-	-	4 654	-	-	880	806	-	6 590
uMzimkhulu	-	-	-	-	-	8 243	-	-	-	-	-	-	4 797	-	-	880	834	-	14 754
Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	250	-	-	-	3 568	-	-	2 640	1 017	-	7 475
Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-	400	-	-	-	-	-	-	-	-	400
Unallocated/unclassified	-	-	-	-	-	-	-	-	-	-	-	-	63	-	-	-	-	-	63
Total	38	20 869	225 396	60 000	48 210	32 972	-	30 000	6 250	3 300	1 500	4 250	628 933	9 438	1 911	207 863	48 813	8 000	1 337 743

Key	Grant Name	Key	Grant Name
3.1	OSCA rates	11.5	Spatial development framework
4.1	Various transfers	14.1	Property rates
7.1	Municipal clinics	15.1	Museum subsidies
8.1	CRU programme	15.2	Art centres (operational costs)
8.2	Accredited municipalities	15.3	Provincialisation of libraries
10.1	Infrastructure	15.4	Community Library Services grant
10.2	Maintenance grant	15.5	Ladysmith Black Mambazo Music Academy
11.1	Small town rehabilitation programme		
11.2	Schemes support programme		
11.3	Development planning and shared services		
11.4	Sustainable living exhibition		

Table 1.G(iii) : Details of transfers to local government: 2020/21

Municipality	Vote 3		Vote 4		Vote 7		Vote 8		Vote 10		Vote 11					Vote 14					Vote 15					Total
R thousand eThekweni Ugu Municipalities		3.1	4.1	7.1	8.2	10.1	10.2			11.1	11.2	11.3	11.4	11.5	14.1	15.1	15.2	15.3	15.4	15.5						
	-		3 323	237 793	60 000	17 966	-	-	-	-	-	-	1 500	-	294 070	5 646	-	78 697	7 382	-	706 377					
	uMdoni	-	5 539	-	-	5 082	-	-	-	-	-	500	-	1 500	18 968	407	-	20 326	4 501	-	56 823					
	uMzumbane	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 100					
	uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Ray Nkonyeni			3 323			5 082								1 000	4 916	407		12 011	1 536		28 275					
Ugu District Municipality			2 216									500									2 716					
uMgungundlovu Municipalities						9 688						500		2 250	108 180	914		34 709	2 987		159 228					
uMshwathi															22 137			2 772	226		25 135					
uMngeni															9 569	213		3 696	452		13 930					
Mpofana															129	213		1 848	226		2 416					
iMpendle														500	342			1 848	226		2 916					
Msunduzi						9 688									75 161	488		20 849	738		106 924					
uMkhambathini														750	773			924	893		3 340					
Richmond															69			2 772	226		3 067					
uMgungundlovu District Municipality												500		1 000							1 500					
uThukela Municipalities			3 323			3 959		8 655				400			50 991	833		12 934	3 142		84 237					
Okhahlamba															6 562	213		1 848	893		9 516					
iNkosi Langalibalele															21 239	407		5 543	678		27 867					
Alfred Duma			3 323			3 959		8 655							23 190	213		5 543	1 571		46 454					
uThukela District Municipality																					400					
uMzinyathi Municipalities												400			33 977	701		8 316	3 357		47 601					
eNdameni															10 226	488		3 696	1 089		15 499					
Nquthu															11 023			1 848	1 786		14 657					
uMsinga															5 737			924	256		6 917					
uMvoti														750	6 991	213		1 848	226		10 028					
uMzinyathi District Municipality												500									500					
Amajuba Municipalities						8 761		8 655				400		500	13 911	407		8 721	3 746		45 101					
Newcastle						8 761		8 655							5 333	407		6 873	2 312		32 341					
eMadlangeni														500	3 354			924	226		5 004					
Damrausier															5 224			924	1 208		7 356					
Amajuba District Municipality												400									400					
Zululand Municipalities			1 883									400		2 000	49 032	213	1 911	8 974	3 913		68 326					
eDumbe															3 870			1 848	1 253		6 971					
uPhongolo			1 108												4 132			1 848	452		7 540					
AbaQulusi															8 203	213		3 430	1 089		12 935					
Nongoma														1 000	6 835			924	863		9 622					
Ulundi														1 000	25 992			924	256		28 172					
Zululand District Municipality			775									400					1 911				3 086					
uMkhanyakude Municipalities			6 869											1 000	29 498			7 979	10 177		55 523					
uMhlabuyalingana			1 329												13 374			1 848	1 972		18 523					
Jozini			1 440												6 837			924	5 667		14 868					
Mtubatuba															2 837			3 359	1 449		7 645					
Big Five Hlabisa															6 450			1 848	1 089		9 387					
uMkhanyakude District Municipality			4 100											1 000							5 100					

Table 1.G(iii) : Details of transfers to local government: 2020/21 (continued)

Municipality	Vote 3	Vote 4	Vote 7	Vote 8		Vote 10		Vote 11				Vote 14			Vote 15			Total	
	3.1	4.1	7.1	8.1	8.2	10.1	10.2	11.1	11.2	11.3	11.4	11.5	14.1	15.1	15.2	15.3	15.4		15.5
King Cetshwayo Municipalities	40	1 080	-	-	2 628	8 655	-	-	-	450	-	1 500	30 491	622	-	17 439	7 960	-	70 865
	-	-	-	-	-	-	-	-	-	-	-	-	638	-	-	-	1 848	1 089	3 575
	-	-	-	-	2 628	8 655	-	-	-	-	-	1 000	14 980	214	-	-	9 123	1 808	38 408
	-	-	-	-	-	-	-	-	-	-	-	-	4 129	408	-	-	4 620	482	9 639
	-	305	-	-	-	-	-	-	-	-	-	-	3 225	-	-	-	924	226	4 680
	-	-	-	-	-	-	-	-	-	-	-	-	7 519	-	-	-	924	4 355	13 298
	-	-	-	-	-	-	-	-	-	-	-	-	500	-	-	-	-	-	-
	-	775	-	-	-	-	-	-	-	450	-	-	-	-	-	-	-	-	1 265
	-	-	-	-	7 126	-	-	-	-	-	-	-	-	19 601	214	-	9 239	4 632	40 812
	-	-	-	-	-	-	-	-	-	-	-	-	-	929	-	-	2 772	1 315	5 016
Harry Gwala Municipalities	KwaDukuza	-	-	-	7 126	-	-	-	-	-	-	-	6 788	214	-	-	5 543	678	20 349
	Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	1 662	-	-	-	924	893	3 479
	Maphumulo	-	-	-	-	-	-	-	-	-	-	-	10 222	-	-	-	-	1 746	11 968
	iLembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Greater Kokstad	-	-	-	-	-	8 655	-	-	500	-	2 000	14 739	-	-	-	6 468	3 297	35 659
	uBuhlebezwe	-	-	-	-	-	-	-	-	-	-	1 000	1 002	-	-	-	1 848	452	4 302
	uMzimkhulu	-	-	-	-	-	8 655	-	-	-	-	-	4 910	-	-	-	924	863	6 697
	Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-	-	1 000	5 063	-	-	-	924	893	15 535
	Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-	-	-	3 764	-	-	-	2 772	1 089	8 625
	Unallocated/unclassified	-	-	-	-	-	-	-	-	-	500	-	-	66	-	-	-	-	500
Total	40	22 017	237 793	60 000	55 210	34 620	-	-	-	3 650	1 500	11 500	663 524	9 957	1 911	213 802	55 094	-	1 370 618

Key	Grant Name	Key	Grant Name
3.1	OSCA rates	11.5	Spatial development framework
4.1	Various transfers	14.1	Property rates
7.1	Municipal clinics	15.1	Museum subsidies
8.1	CRU programme	15.2	Art centres (operational costs)
8.2	Accredited municipalities	15.3	Provincialisation of libraries
10.1	Infrastructure	15.4	Community Library Services grant
10.2	Maintenance grant	15.5	Ladysmith Black Mambazo Music Academy
11.1	Small town rehabilitation programme		
11.2	Schemes support programme		
11.3	Development planning and shared services		
11.4	Sustainable living exhibition		

**ESTIMATES
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

VOTE 1

Office of the Premier

Operational budget	R784 876 591
Remuneration of the Premier	R 2 260 409
Total amount to be appropriated	R787 137 000
Responsible Executive Authority	The Premier
Administering department	Office of the Premier
Accounting officer	Director-General: Office of the Premier

1. Overview

Vision

The vision of the Office of the Premier (OTP) is: *To be the centre of governance, providing leadership towards achieving KZN Vision 2035.*

Mission statement

The mission of the department is to support the Premier in carrying out his constitutional and statutory duties. The department fulfils this mission primarily by:

- Promoting an integrated service delivery model.
- Enhancing co-operative governance within the province.
- Effective stakeholder management and communication.
- Enhancing performance management and accountability through monitoring and evaluation.

Strategic objectives

The *strategic policy direction* of the OTP is directly linked to national government's 14 outcomes and also informs the department's strategic objectives, as listed below:

- Integrate, co-ordinate and facilitate transversal policies, programmes, strategies, plans and systems of the province.
- Lead in macro planning and policy management to achieve the electoral mandate.
- Monitoring and evaluation of provincial government's programmes.
- Provide strategic leadership and direction for provincial government.
- Oversee the development and implementation of legislation.
- Promote inter and intra-governmental relations and good governance.

Based on the mission and the mandate, the department identified the following strategic objectives:

- To realise the existence of functional public policy and strategic planning management systems and processes for the provincial government.
- To achieve co-ordinated provincial policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, promotion of science and technology, and conservation and management of cultural heritage resources.
- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the provincial administration.

- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign governments and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangements in support of the Zulu Monarchy and members of the Royal family.

Core functions

In order to ensure alignment with national and provincial priorities and address the weaknesses identified in service delivery, the roles of the OTP have been defined as follows:

- To support the Premier as the head of the provincial government and the Provincial Executive Council and its sub-structures, and ensure constitutional and legal compliance.
- To co-ordinate provincial policy and planning processes.
- To provide provincial leadership and inter-departmental co-ordination.
- To promote co-operative and good governance.
- To provide transversal support services for human resource management, information technology, communications, legal and macro policy advisory services.
- To promote a culture of human rights consciousness and gender sensitivity across the province.
- Control and regulation of the Gaming and Betting function.
- To facilitate the smooth functioning of the Royal Household Trust (hereafter referred to as the RHT).
- To enable His Majesty, the King to participate in government initiatives as an ambassador to KZN.

Legislative mandate

The OTP has a pivotal position in the KZN provincial government. The department's key legislative mandates are derived mainly from the following legislation:

- The Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994, as amended
- Public Finance Management Act, 1999, as amended and Treasury Regulations
- Preferential Procurement Policy Framework Act, 2000
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- KwaZulu-Natal Youth Commission Act, 2005
- KwaZulu-Natal Heritage Act, 1997
- Annual Division of Revenue Act (DORA)
- Public Service Regulations, 2001
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998
- KwaZulu-Natal Gaming and Betting Act, 2010

- KwaZulu-Natal Gaming and Betting Tax Act, 2010
- KwaZulu-Natal Gaming and Betting Amendment Act, 2017
- KwaZulu-Natal Amafa and Research Institute Bill, 2017
- KwaZulu-Natal Royal Household Trust Act, 2007
- KwaZulu-Natal Royal Household Trust Amendment Bill, 2015
- Traditional Leadership and Governance Framework Act, 2003
- KwaZulu-Natal Traditional Leadership and Governance Act, 2005

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

Provincial Planning Commission (PPC)

The functions of the PPC are similar to those of the National Planning Commission, and are to advise and make recommendations to the Premier and the Provincial Executive on a long-term strategic development perspective and vision of the province. A refined version of the PGDP and four quarterly implementation reports were presented to the Provincial Executive Council and approved. Substantial progress was made with strengthening the institutional framework to drive the implementation of the PGDP with the strengthening of 18 Action Work Groups (AWGs). Support was rendered to the eThekweni Metro and all 10 district municipalities in the drafting of their District Growth and Development Plans, as well as to the Poverty and Makhathini Laboratories.

Inter-governmental relations

The main aim is to strengthen inter-governmental relations (IGR) in the province through collaboration to ensure integrated planning for improved service delivery.

A number of initiatives and interventions were embarked on in this regard, such as the launch of the Provincial IGR Forum, the Inaugural IGR Learning Network, the establishment of the Inter-Provincial IGR Forum and Inter-Provincial Collaborations. The IGR Strategy primarily aims to create linkages between the IGR Structures and stakeholders. With regard to linkages to other provinces, in Mpumalanga programmes have been implemented to enhance service delivery and are ongoing, while in the Eastern Cape a MOU was drafted and legal teams from both provinces are in consultation in this regard. In the Free State, ongoing consultations with the province are being conducted. For the remainder of 2017/18, the following, among others, are planned: frequent meetings of the Premier's Co-ordinating Forum (PCF), using the Committee of Heads of Department as a key forum for intra-governmental relations, as well as a second IGR Learning Network.

Monitoring and evaluation

The OTPs are responsible for the Electronic Quarterly Reporting System (eQPRS) from 2017/18 onward. The department worked closely with the DPME in providing guidance and training to all departments in the province for the implementation of quarterly performance reports via the eQPRS. A bi-annual report to the Provincial Executive Council *Lekgotla* was prepared on achievement of strategic objectives of the PGDP, as well as the likelihood of achieving the 2020 targets for Vision 2035. The implementation of the Management Performance Assessment Tool (MPAT) in the province, as well as within OTP, was successfully co-ordinated. Similarly, the department co-ordinated and facilitated quarterly performance reporting against targets set in the APPs of all provincial departments through the new eQPR system, as well as the capturing of these reports in the Provincial Nerve Centre. The department further co-ordinated the Front Line Service Delivery and Batho Pele programmes in the province, as well as the performance reporting related to these programmes. In addition, the quarterly PGDP implementation reports are now captured into the Nerve Centre, piloted in the second quarter and rolled out from the third quarter.

Protection of human rights

The department co-ordinated the Gender, Disability, Senior Citizens, Children (GDSCC) and Ombudsperson's Forums which served as platforms to promote and monitor the implementation of human

rights related policies by all government departments and municipalities. Capacity building sessions for both government officials and the community were co-ordinated. International and national human rights calendar dates were celebrated including National Women's Day (August), International Children's Day (June), International Disability Day (December) and International Women's Day (March). The department also made interventions on issues of human rights violations through the Office of the Ombudsperson and the Office on Protection of Human Rights.

Public service transformation

The department convened various strategic Human Resource Management and Development (HRM&D) forums with all provincial departments. These forums were effective learning platforms utilised to share best practices and knowledge among peers. A Human Resources (HR) summit was held for all provincial HR practitioners aimed at finalising the Strategic Human Resource Management strategy which is in its final stage of preparation as a draft strategy. In the area of labour relations, the department focused on training and produced a training manual to be utilised as a toolkit for all labour relations matters by all provincial departments. The target of rolling out 200 training sessions to capacitate public servants was achieved. Consultations on the province-wide public service Human Resource and Development (HRD) strategies were completed. The roll-out of strategic skills development projects targeting the development of technical, artisanal and vocational skills continued with 1 200 beneficiaries.

Identity and heritage of the province

In an effort to address the difficulties facing Amafa aKwaZulu-Natali (Amafa), most notably the history of resource constraints, the Premier announced during 2015/16 that the intention is to co-ordinate heritage in the province through the amalgamation of Amafa and the Heritage unit within OTP to form the KZN Amafa and Research Institute. The new KZN Amafa and Research Institute Bill was completed and Provincial Treasury issued the required certificate. This was presented to the Provincial Legislature in August 2017, where it is under review.

The identification and profiling of critical heritage resources that were previously marginalised continued in 2017/18 and, as a result, a number of heritage events were organised to create awareness of such treasures among communities. Such events included Freedom Day, Africa Day, the Ngobese Clan Commemoration, the unveiling of statues of Griffiths and Victoria Mxenge, as well as Harry Gwala.

A number of monuments were erected including, among others, monuments to the cadres assassinated by the police at Dumbe, as well as a monument of Inkosi Simakade Mchunu at Msinga.

Operation Sukuma Sakhe (OSS)

In 2017/18, the OSS was re-engineered to ensure further strengthening of the programme. The main aim of OSS is to drive behaviour change and development at community level, including fighting poverty, diseases and social ills and ensuring that community, religious and traditional leaders drive these initiatives. The functioning of war-rooms is at the core of OSS. By the end of 2017/18, 169 wards will have received computer equipment, 120 wards will have received furniture, and stationery will have been delivered to all 169 targeted wards.

The Inkululeko Development project phase 1 at Ndumo was co-ordinated through the steering committee that meets quarterly. The bulk of the projects are complete and the overall project is at about 95 per cent complete, including the model school. Planning commenced for the Inkululeko Development project phases 2 and 3 in uMzinyathi and uThukela, respectively.

The Moerane Commission of Inquiry

The Moerane Commission of Inquiry will finalise its hearings in the last quarter of 2017/18, with a final report due to be submitted to the Premier in early 2018/19.

His Majesty, the King's activities

The King Support and Royal Household unit hosted 19 of His Majesty, the King's events, with a further six events planned for the remainder of the year. Events already hosted include:

- Hosting religious bodies including the Interfaith Congregation Prayer at kwaDlamahlahla Palace, the Shembe Congregation visits at KwaKhangela and Nyokeni Palaces, among others.

- Hosting cultural and heritage events including His Majesty, the King's Birthday at Linduzulu Palace, the First Fruits ceremony (*Umkhosi wesivivane*) at KwaKhangela Palace, *Umkhosi Womhlanga* (Royal Reed Dance) at the Ingwavuma and Nyokeni Palaces and *Umkhosi Woselwa* (Thanksgiving) at Nyokeni Palace, among others.

The department also continued with renovations of the KwaKhangela Palace, with only the tiling of the main house and guest houses outstanding, and anticipated to be completed by year-end.

The Royal Household Trust (RHT)

The RHT is currently operating in terms of its establishing Act, the KwaZulu-Natal Royal Household Trust Act No. 2 of 2007. The proposed 2015 Amendment Bill is still undergoing the portfolio committee processes in the Provincial Legislature. The objective of the Bill is to outline the manner in which the RHT is to be managed, governed, staffed and financed. The overall aim is to ensure that governance and management of the RHT is improved for the desired wellbeing of His Majesty, in accordance with the status befitting the monarch. In delivering on its mandate, the RHT provided for the Queens' expenses, including travel and accommodation, as well as tuition fees, transportation and medical expenses for members of the Royal Family. The RHT also maintained the Royal palaces and managed some of the farming activities, such as providing feed and veterinary care for the King's cattle.

The RHT is also tasked to raise funds for the benefit of the Royal Household, but this activity experienced challenges in 2017/18, due to no revenue generating assets being at the disposal of the RHT. Also, there are a significant number of posts that are vacant, including posts related to revenue generation.

Amafa aKwaZulu-Natali (Amafa)

As mentioned earlier, there was an intention to amalgamate Amafa and the Heritage unit within OTP to form the KZN Amafa and Research Institute. The new KZN Amafa and Research Institute Bill was completed and presented to the Provincial Legislature, where it is under review.

Amafa continued with its legislative mandate of assessing and issuing permit applications for alterations, repairs and demolition of qualifying built environment structures and archaeological-related work. Maintenance and project work at sites of historic significance were undertaken so as to preserve and/or conserve the existing heritage fabric of the province. The projects embarked on included the survey of public memorials in the Ladysmith Municipality, the installation of markers at two ancestral sites, namely the Colenso Concentration Camp and the site of the Fallen Zulus at Gingindlovu. The Interpretation project, saw the installation of interpretation panels at five sites, including the King Cetshwayo Death Site, the Mashona Cemetery, the Nkonjeni Graves, the Churchill Site and the Isandlwana Zulu Regiment's Site. The Kings' Renovation project entailed the refurbishment of the grave sites of the early Zulu kings.

KwaZulu-Natal Gaming and Betting Board (KZNGBB)

The KZNGBB is responsible for the collection of gambling taxes for KZN, regulating the gambling industry, ensuring the roll-out of gaming and betting initiatives and protecting the interests of patrons and the public at large. The Gaming and Betting function was moved from Vote 6: Provincial Treasury to Vote 1: Office of the Premier with effect from 28 September 2016.

During 2017/18, the entity continued to regulate the industry in line with the KZN Gaming and Betting Act, which was amended in October 2017, and regulations. The amendments included specific provisions to address transformation of the industry, matters related to the board, as well as the payment and distribution of taxes, among others. The entity continued to grow the industry in a responsible manner, while protecting the interests of the public and ensuring no over-saturation of gambling activities. Through its licensing activities, the entity made major strides in achieving its transformation mandate by increasing black participation within the industry, with ownership now at 59 per cent of operational bookmaking outlets. The entity commenced with a socio-economic impact study to analyse the impact of gambling within the province and this is expected to be completed by the end of 2017/18. The entity implemented phase one of the Gaming Regulators On-line Portal which improved efficiencies in the submission and processing of applications. During the year, the entity secured suitable office accommodation for its Durban operations, while continuing to finalise office accommodation in Pietermaritzburg. Currently, the tender is under appeal and, as such, progress has been delayed.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The bulk of the department's budget allocation is for cross-cutting and transversal activities, such as OSS, Integrity Management, Youth Development, the Nerve Centre, support to His Majesty, the King, as well as transfers to its three public entities, Amafa, KZNGBB and the RHT. In 2018/19 and over the medium-term, the OTP will focus on the priorities listed below.

Provincial Planning Commission (PPC)

Key focus areas of the PPC will still be the implementation of the PGDP and supporting the AWGs to report effectively on progress with implementation. The ongoing refinements of the PGDS, as well as the refinements of the PGDP, will continue to be key focus areas. The PPC will continue to support the relevant line function departments in pursuing key interventions, such as the formalisation of rural settlements, the establishment of community service centres, the implementation of the provincial HRD strategy, renewable energy opportunities, etc.

Policy and research co-ordination

The department will continue to co-ordinate and update the existing register of public policies and policy instruments and facilitate the co-ordination of policies, research and planning through the relevant forums.

Monitoring and evaluation

The department will continue to strengthen the development of the Nerve Centre as the central information and knowledge repository in KZN. The automation of the PGDP Monitoring and Evaluation Framework has increased accessibility of information, accountability and efficiency of AWGs and various other stakeholders. An initiative was launched in 2017/18 to improve and consolidate all OTP data access onto a single, integrated data warehouse to develop a web-enabled portal that is accessible anywhere and available at any time. Due to challenges with outside connection into the current Nerve Centre to access these developed solutions, the option of Dube TradePort to host the Nerve Centre computer servers is being negotiated to ensure the realisation of this requirement. It is anticipated that this will be concluded and fully implemented by the end of 2018/19.

Inter-governmental relations

Inter-provincial collaborations will be a strategic tool for enhancing service delivery across KZN. In this regard, friendly relations and support will be fostered among various relevant stakeholders, consulting on matters of common interest and co-ordinating action plans and legislation. KZN will focus on strengthening economic diplomacy for the promotion of its trade, investment and tourism potential. The years ahead will therefore see the national strategy oriented towards not only ensuring KZN's domestic success, but also internationally, as a geo-political and economic player at the global level. In this regard, Mpumalanga, the Free State and the Eastern Cape have been identified as strategic partners.

Identity and heritage of the province

The KZN Amafa and Research Institute Bill, 2017, was finalised and forwarded to the Provincial Legislature for further processing. As soon as this process is concluded, the Premier will be able to establish the envisaged entity. The process of the merger of Amafa and the OTP's Heritage unit is anticipated to be concluded early in the financial year once the said Legislature process is finalised.

Protection of human rights

The department will continue to co-ordinate the GDSCC and Ombudsperson's Forums to promote and monitor the implementation of human rights related policies by all government departments and municipalities. This includes the roll-out of human rights awareness campaigns such as National Human Rights Day and 16 Days of Activism, conduct active ageing, inter-generational dialogues and child ambassador programmes, as well as co-ordinating anti-rape campaigns, the widowhood programme, women empowerment programmes, etc. All these programmes are aimed at achieving one of government's main goals, namely ensuring that the quality of life of the vulnerable is improved. Furthermore, the department will co-ordinate and monitor the provincial catalytic programmes pertaining

to GDSCC. Ward GDSCC profiles will also be conducted. Human rights awareness educational material will be distributed in all war-rooms.

Public service transformation

The department will continue to facilitate, integrate and monitor the implementation of HRM&D strategies, policies and projects through hosting of relevant strategic forums. AWGs 7 and 10 will continue to focus on areas of HRM&D.

The provincial HR turnaround strategy will be finalised and phase 1 of the implementation will be rolled out during 2018/19. In line with the inputs from the proposed HR turnaround strategy, all directorates will focus on training geared towards empowering in all areas of HR to minimise HR audit related challenges and to address the objectives of the HR turnaround strategy.

The department will develop a provincial strategy to improve equity targets in all departments through targeted programmes for women, youth and employees with disabilities.

With regard to HRD, the focus will be on finalising the Integrated Public Service HRD strategy and the province-wide HRD strategy. A total of 200 training sessions will be conducted, aimed at capacitating public servants. In order to foster co-ordination, integration, compliance, monitoring and evaluation, special attention will be given to the functionality of all HRD forums. The effective implementation and management of skills development projects will continue.

Operation Sukuma Sakhe (OSS)

The main focus in OSS is to continue with the strengthening of war-rooms in 2018/19, with special attention on the most deprived wards, as identified by StatsSA. The most deprived wards are the wards that are vast geographically, with few government facilities and are mainly rural in nature. Communities which do not have access to public service delivery rely on war-rooms to access essential services. The strengthening of war-rooms involves the purchase of furniture, stationery, computers, etc., as well as capacity building in respect of war-room support. Capacity building includes the provision of training to community volunteers, municipal councils and stakeholders. It is planned that 15 wards will receive furniture in 2018/19, a further 15 in 2019/20, with the final 19 wards being supplied in 2020/21.

His Majesty, the King's activities

His Majesty, the King will partake in various important ceremonies and traditional functions of the province, such as the opening of the Provincial Legislature, opening of the Traditional House, and hosting various traditional events, such as the Reed Dance, First Fruits ceremony (*Umkhosi Woselwa*), *Amaganu* ceremonies, *Umkhosi woMama*, etc. His Majesty, the King will also continue to install *Amakhosi* statutorily and in terms of traditional customs.

The Royal Household Trust (RHT)

The RHT will continue to render its services to the Royal Household including a much sharper focus on revenue generating activities. A revenue generating plan has been developed that will be implemented in 2018/19. This plan will take advantage of public-private partnerships as a catalyst for revenue generation. In the short to medium term, it is not expected that this plan will generate any income, as it will still be in the investment phase. Notwithstanding this, the RHT will continue to seek income generating opportunities that will eventually relieve the RHT's dependency on the provincial fiscus.

Amafa aKwaZulu-Natali (Amafa)

As mentioned earlier, the intention is to co-ordinate heritage in the province through the amalgamation of Amafa and the Heritage unit within OTP to form the KZN Amafa and Research Institute. The new KZN Amafa and Research Institute Bill was finalised and presented to the Provincial Legislature, where it is under review. Once the review is finalised and the bill enacted, the practical roll-out of the merger will be implemented.

Due to historic budget reductions, funding for the operational costs and core mandate of Amafa is constrained. As a result, Amafa is staggering its maintenance schedule (i.e. decreasing the frequency of site maintenance), as well as using reserve funding to bridge the deficit between the aggregate of project and operational funding and the revenue received. Projects planned for 2018/19 include, among others,

one site excavation (site to be determined and approved), the grading of five sites, the proclamation of three sites (one each for rock art, archaeology and built-environment), as well as the installation of ancestral markers at two sites (determined on a list of applications received in 2017/18).

KwaZulu-Natal Gaming and Betting Board (KZNGBB)

The KZNGBB will pursue its mandate by ensuring that all gambling authorised under the amended Act is conducted in a manner which promotes the integrity of the gambling industry and does not cause harm to the public. In addition, the KZNGBB will ensure that gambling promotes employment, as well as economic and social development to give effect to the PGDS/P. The entity will continue to invite, consider and process new applications and/or renewals for any gaming or betting licences, amend, specify, substitute or rescind any licence conditions as necessary/required, in line with the Act and regulations, and undertake investigations or inspections into illegal gambling operations in KZN.

The entity will strive to bring balance between protection of the public and growth to the industry. Transformation to create opportunities for black individuals to gain access to the gambling industry will continue to be a key focal point. The securing of office accommodation for the Pietermaritzburg operations will continue to be a key focus area in 2018/19, as well as the development and implementation of the remaining phases of the Gaming Regulators On-Line Portal, anticipated to be completed in 2018/19, which will significantly enhance all processes within the entity. The findings of the socio-economic impact study of gambling in the province will be analysed in 2018/19 and a strategy will be developed during the year, on the way forward.

4. Reprioritisation

The department undertook extensive reprioritisation over the 2018/19 MTEF, largely for the filling of critical posts. *Compensation of employees* increased by R15.021 million for 2018/19 and R19.260 million for 2019/20. Funds were reprioritised from *Goods and services* in order to prioritise the filling of approximately 56 critical vacant posts. All service delivery projects, as outlined in the departmental APP, will still proceed in 2018/19, but savings will be realised by scaling down various projects, particularly the scale of events, as well as implementing strict cost-cutting measures.

5. Procurement

The department will continue to develop and implement a procurement plan for procurement exceeding R500 000 and a demand management plan for procurement below R500 000 for 2018/19, to ensure that the needs of the organisation are met. The department aims to reduce the turn-around time for procuring goods and services. Internal controls, contract management and inventory management will be strengthened.

The department will also intensify its efforts to ensure that suppliers and service providers are paid within 30 days, in line with Treasury Regulations 8.2.3. All quotations and bids will be awarded in a manner which is fair, equitable, transparent, competitive and cost effective. To achieve this, the department will commence rolling-out its own e-Procurement system in conjunction with Provincial Treasury. The implementation of the system will eliminate the manual procurement system that is currently being used.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 1.1 gives the sources of funding of Vote 1 from 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share.

The Gaming and Betting budget was suspended from Vote 6: Provincial Treasury in the 2016/17 Adjusted Appropriation and allocated to Vote 1: Office of the Premier relating to the movement of both the KZNGBB and the administration unit dealing with Gaming and Betting with effect from 28 September

2016, as determined by Premier's Minute No. 2 of 2016. It must also be noted that the full amount spent in 2016/17 is now shown against Vote 1, with historical figures adjusted for comparative purposes. Similarly the revenue budget moved to Vote 1 as well.

Table 1.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	719 160	728 495	693 695	729 140	729 140	729 140	773 397	821 689	874 699
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	719 160	728 495	693 695	729 140	729 140	729 140	773 397	821 689	874 699
Total payments	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
Surplus/(Deficit) before financing	(46 092)	31	(13 866)	(12 985)	(34 331)	(34 331)	(13 740)	(879)	-
Financing									
of which									
Provincial roll-overs	12 994	-	8 000	-	1 313	1 313	-	-	-
Provincial cash resources	57 090	44 270	11 775	12 985	33 018	33 018	13 740	879	-
Surplus/(Deficit) after financing	23 992	44 301	5 909	-	-	-	-	-	-

Note: 2016/17 surplus was over-stated in the department's AFS

In 2014/15, the department received additional funding of R62.090 million. This increase was offset by a reduction of R5 million, resulting in a net increase of R57.090 million. This is explained as follows:

- R46.928 million was received for the following:
 - R33.169 million for the Integrity Management unit. In addition, R5.700 million was suspended from 2013/14, also for the Integrity Management unit.
 - An additional R5 million for the OSS Diakonia Council of Churches.
 - Amafa was given R3.059 million to apply for World Heritage status for the Emakhosini Valley.
- R3.136 million was allocated for transfer to Amafa. This amount relates to surplus funds from 2012/13, which Amafa surrendered to the Provincial Revenue Fund, with the understanding that these funds would be allocated back to them in 2014/15 to roll out new projects.
- R4.226 million was allocated to the department, being the province's contribution to the construction of the Denis Hurley Centre, in Durban.
- R7.800 million in respect of the 20 years of democracy celebrations held on 27 April 2014.
- Offsetting this was a reduction of R5 million, which was specifically and exclusively appropriated funding for security strengthening during the 2014 general elections. These funds were not required by the OTP and were removed from its baseline and returned to the Provincial Revenue Fund.

The department also received roll-overs amounting to R12.994 million in 2014/15 as follows:

- R2.994 million was rolled over from 2013/14 in respect of the RTI Commission due to an extension of the sittings into 2014/15 that impacted on the finalisation of the commissioner's report, and the payment of commission fees was due only upon finalisation.
- R10 million was rolled over from 2013/14 for the African Economic Expansion Summit. Funds were received during the 2013/14 Adjustments Estimate and could not be spent due to the limited time to plan and host an event of that magnitude during 2013/14.

The 2014/15 budget was under-spent by R23.992 million partly due to the unspent *Compensation of employees* and *Goods and services* funds of the former Department of the Royal Household (DRH). When the proclamation was signed, the budget remained at the DRH, but the expenditure was moved to OTP, which then utilised its savings to offset the DRH expenses. The amount also includes under-expenditure for the construction of the provincial Public Service Training Academy (hereafter referred to as the Training Academy) that was transferred to the DOPW but not spent, and hence was reflected as an under-spending in line with a recommendation from the A-G.

The budget increased by R44.270 million in 2015/16 due to the following:

- R15 million for the construction of the pipeline at the Luwamba Wellness Centre could not be utilised in 2014/15 due to challenges experienced with various stakeholders, farmers and wards in terms of the

appointment of the local community to assist with the project. As such, these funds were suspended from 2014/15 and re-allocated to the department in 2015/16.

- R14 million was specifically and exclusively appropriated for the equipping of war-rooms but was not utilised in 2014/15 due to a review of the war-rooms' software requirements by the Information Technology unit. The funds were therefore suspended from 2014/15 and were allocated back to the department in 2015/16.
- R5 million for the OSS Diakonia Council of Churches. These funds were allocated over a three-year period using cash resources that became available in the 2013/14 Adjustments Estimate.
- The department received R10.270 million for the establishment of an operations centre for the implementation of the Poverty Eradication Master Plan (PEMP), in line with a Provincial Executive Council resolution.

Offsetting the above increase, was a suspension of R15.690 million in respect of the equitable share to 2016/17 with regard to the construction of the new Training Academy in Westville. However, the construction of this facility will no longer take place at this stage due to the fiscal consolidation imposed by National Treasury.

The 2015/16 budget was under-spent by R44.301 million due to the following:

- Under-expenditure of R6.369 million was mainly attributed to the moratorium on the filling of non-critical vacant posts.
- Under-spending of R3.631 million was as a result of fewer Integrity Management "I do right, even when nobody is watching" roadshows taking place than anticipated.
- The balance of R35.727 million was a result of the following:
 - Budgeted projects, such as the Citizen Satisfaction Survey, were not finalised with StatsSA as a result of administrative challenges that were experienced by StatsSA, resulting in the project not being implemented. In addition, the PGDS situational review was finalised later than originally anticipated due to the unsatisfactory work that was done by the service provider.
 - The Monitoring and Evaluation unit experienced delays with appointing a suitable service provider for the preparation of a Provincial Evaluation Plan, which is an initiative of the DPME to measure impact assessments.
 - An amount of R1.200 million in respect of the Provincial Bursary Programme was not utilised due to delays in the receipt of entity forms from landlords in respect of student accommodation.
 - The PEMP funding was under-spent by R7.856 million. The bulk of the funds were allocated for *Compensation of employees*, but all 12 posts were filled later than originally anticipated.
 - The Royal Household sub-programme was under-spent. An amount of R3.413 million was not transferred to the RHT due to the fact that the RHT seemed to have sufficient budget to carry it through the fourth quarter at the time, in line with its cashflow projections.

In 2016/17, the department received provincial cash resources of R11.775 million for the PEMP operations centre, as well as funds for the carry-through of the above-budget 2015 wage agreement. However, the budget showed low growth in 2016/17 mainly ascribed to the fiscal consolidation budget cuts implemented by National Treasury. In addition, and as a result of the cuts, the amount of R15.690 million suspended from the 2015/16 budget was not allocated to the department in 2016/17 as the construction of the Training Academy was halted to partially fund the province's fiscal consolidation budget cuts. The department also received a roll-over of R8 million for the maintenance of the Royal palaces through Provincial Treasury as the implementing agent. The department under-spent its 2016/17 budget by R5.909 million, mainly attributed to under-spending against *Goods and services* against the PEMP due to the fact that the programme launches in some municipalities did not take place as anticipated as a result of a change in the vision and strategy of the PEMP. Also contributing was *Buildings and other fixed structures* with under-expenditure mainly related to the Royal palaces. In addition, *Compensation of employees* was under-spent because of vacant funded posts.

In 2017/18, the following adjustments are noted:

- The KZNGBB managed to secure office accommodation at the Marine Building in Durban, thus R767 000 was allocated in 2017/18, with carry-through of R821 000 and R879 000 in 2018/19 and 2019/20, respectively, specifically for transfer to the KZNGBB for its new lease.
- The PEMP operations centre amounting to R12.218 million and R12.919 million in 2017/18 and 2018/19, linked to contract posts which align to the Premier's term of office. The operations centre is responsible for co-ordinating the programme directed towards eradicating poverty in the province.

During the 2017/18 Adjustments Estimate, the department received further additional funding of R21.346 million, as follows:

- R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of funds of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays that were experienced with renovations at KwaKhangela Palace.
- The department's budget was increased by R20.033 million related to the KZNGBB, which was requested to return an amount of approximately R20.800 million a few years ago to the Provincial Revenue Fund for the fund to earn the associated interest on this capital amount, as the entity did not need the funds at the time. The KZNGBB was initially allocated these funds to acquire new office accommodation, and the amount was therefore returned to the KZNGBB for this purpose.
- The department has projected a balanced budget by year-end, as per the December 2017 IYM.

In the 2018/19 MTEF, the department receives provincial cash resources as follows:

- The department receives R12.919 million in 2018/19 for the carry-through of PEMP operational costs, as mentioned.
- The allocation for PEMP operational costs was for a finite period only (2015/16 to 2018/19), and the carry-through costs are therefore removed from the baseline in 2019/20.
- Amounts of R821 000 and R879 000 are allocated in 2018/19 and 2019/20, respectively for the KZNGBB's office accommodation at the Marine Building. This funding was for three years only from 2017/18.
- In 2020/21, R6.886 million is allocated to the equitable share, being funding allocated for the carry-through costs of the above-budget wage agreement.

6.2 Departmental receipts

Table 1.2 reflects details of departmental receipts per main category over the seven-year period: 2014/15 to 2020/21. Details of the department's revenue are reflected in *Annexure – Vote 1: Office of the Premier*.

Table 1.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	538 524	565 890	582 468	586 724	586 724	592 147	600 285	607 660	615 364
Casino taxes	467 319	487 788	502 243	510 227	510 227	510 874	518 570	524 843	531 391
Horse racing taxes	71 205	78 102	80 225	76 497	76 497	81 273	81 715	82 817	83 973
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	174	149	191	258	258	218	273	288	304
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	23	8	1	1	12	1	1	1
Sale of capital assets	1 143	535	-	311	311	311	535	535	535
Transactions in financial assets and liabilities	402	423	267	42	42	649	44	47	50
Total	540 248	567 020	582 934	587 336	587 336	593 337	601 138	608 531	616 254

Tax receipts are derived from taxes collected by KZNGBB in accordance with the KZN Gaming and Betting Tax Act, 2010. The main sources of revenue are *Casino taxes* and *Horse racing taxes*.

Casino taxes, which includes Limited Payout Machines (LPMs) and Bingo gaming revenue, accelerated from 2014/15 onward following the increase in tax rates that came into effect in November 2012. The department is very conservative in terms of budgeting for this item due to the continuing decline in economic activities, hence the average growth of the budget is 1.3 per cent over the MTEF.

Horse racing taxes includes sports betting revenue and is volatile over the seven-year period. The budget grows conservatively by an average of 1 per cent over the MTEF due to its unpredictable nature.

Sale of goods and services other than capital assets mainly comprises revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders and tender fees. The conservative growth over the MTEF is based on the historic slow growth of this revenue source.

Interest, dividends and rent on land relates to interest on staff debts. It is difficult to accurately project revenue from this source due to its uncertain nature and the budget is thus kept constant over the MTEF.

Sale of capital assets consists of revenue from the sale of redundant assets, such as motor vehicles and equipment. The revenue collected from 2014/15 to 2015/16 was in relation to the sale of redundant assets. It is difficult to forecast revenue from the sale of redundant assets, as this depends on certain factors such as size of the fleet and the price attained at the auction, hence the conservative budgeting over the MTEF.

Transactions in financial assets and liabilities is in respect of recoveries from previous financial years, such as staff debts. The collection fluctuates over the seven years in line with the quantum of staff debts.

6.3 Agency funding

Tables 1.3 and 1.4 reflect the details of agency funding for the period 2014/15 to 2020/21.

Table 1.3 : Details of agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Agency funding	38 020	21 700	8 870	6 800	6 800	14 875	-	-	-
NSF	28 583	3 900	5 908	-	-	6 695	-	-	-
MERSETA	9 437	11 200	2 962	6 800	6 800	8 180	-	-	-
Work Integrated Learning (SSETA)	-	5 800	-	-	-	-	-	-	-
Work Integrated Learning (PSETA)	-	800	-	-	-	-	-	-	-
Total	38 020	21 700	8 870	6 800	6 800	14 875	-	-	-

Table 1.4 : Details of agency funding payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Agency funding	-	21 700	13 823	6 800	6 800	14 875	5 500	-	-
NSF	-	3 900	6 350	-	-	6 695	-	-	-
MERSETA	-	11 200	7 473	6 800	6 800	8 180	5 500	-	-
Work Integrated Learning (SSETA)	-	5 800	-	-	-	-	-	-	-
Work Integrated Learning (PSETA)	-	800	-	-	-	-	-	-	-
Total	-	21 700	13 823	6 800	6 800	14 875	5 500	-	-

During 2017/18, the department, through the Training Academy, received funding of R6.695 million from the National Skills Fund (NSF). This amount was used to train 500 youth on digital television installation skills, pay service providers who were finalising work of training construction learnerships from 2013/14 onward, and for 10 learners who are currently undergoing a toolmaking learnership. This project will end on 31 March 2019. No amount was included in 2018/19 as it was previously reported that the actual implementation is expected to end in November 2018, even though the contract between OTP and the NSF will end in 2019. The amount of R6.695 million received in 2017/18 will be used to cover the cost of the remaining activities in the project.

The department also received R8.180 million from MERSETA for training of 300 artisans and 850 individuals in skills programmes. A total of 200 artisans and 850 people will complete their training on 31

March 2018 and 100 apprentices in various trades such as fitting and turning, electricians, spray painting, petrol and diesel mechanics will complete their training on 31 March 2019.

The aim of the Work Integrated Learning (SSETA and PSETA funded projects) was to support 215 students from TVET colleges with a stipend of R1 500 per student per month for 12 to 18 months. These projects, aimed at supporting the development of a policy on accreditation, started in April 2015 and was completed in early 2016/17.

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates by programme and economic classification. Further details are given in Section 8, as well as in the *Annexure – Vote 1: Office of the Premier*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- Provision was not adequately made for an inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, as well as the 1.5 per cent pay progression. This will be reviewed in-year, as this category is currently growing by 15.9 per cent, 4.4 per cent and 7.5 per cent over the MTEF.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 1.5 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 1.5 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(88 290)	(86 782)	(86 865)	(105 372)	(111 167)
Above-budget 2015 wage agreement	4 597	4 923	5 272	5 567	5 873
PEMP operations centre	11 775	12 218	12 919	-	-
Freezing all vacant non-OSD posts	(25 138)	(26 847)	(28 673)	(30 279)	(31 944)
Cutting events' budget	(39 723)	(39 722)	(39 722)	(41 946)	(44 253)
Cutting Training Academy budget	(16 522)	(17 348)	(18 354)	(19 382)	(20 448)
General baseline cut	(15 866)	(12 125)	(9 968)	(10 526)	(11 105)
2% Goods and services cut	(7 413)	(7 881)	(8 339)	(8 806)	(9 290)
2017/18 MTEF period		(3 000)	(3 393)	(12 232)	(13 832)
Removal of Poverty Eradication Master Plan operations centre		-	-	(13 642)	(14 392)
Allocation of parts of surrendered surplus for office accommodation for KZNGBB		767	821	879	-
PES and Provincial Own Revenue reductions		(2 734)	(3 125)	(5 543)	(5 848)
Budget cuts to fund remuneration of Izinduna		(1 033)	(1 089)	(1 149)	(1 212)
Additional funding from National Treasury		-	-	7 223	7 620
2018/19 MTEF period			-	-	6 886
Above-budget wage agreement			-	-	6 886
Total	(88 290)	(89 782)	(90 258)	(117 604)	(118 114)

With regard to the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced or cut. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF.

Accordingly, in 2016/17, the following changes were made to the department's budget:

- As a result of freezing all vacant non-OSD posts, R25.138 million was removed from the budget in 2016/17, with carry-through over the MTEF.
- The OTP's hosting of events budget was cut (R39.723 million with carry-through over the MTEF).
- The budget for the construction of a new Training Academy was removed (R16.522 million with carry-through).
- A general baseline cut amounting to R15.866 million with carry-through, specifically relating to the OTP, was effected against *Compensation of employees*, as well as *Goods and services*.
- The equitable share funded *Goods and services* budget was cut by 2 per cent (R7.413 million with carry-through).
- In order to assist with funding these budget cuts, the department reduced the transfers to its public entities. Amafa's budget was cut by R4.888 million and RHT's budget was cut by R9.489 million, both with carry-through.

However, offsetting these reductions was additional funding of R16.372 million for the following:

- The above-budget 2015 wage agreement.
- The PEMP operations centre amounting to R11.775 million, R12.218 million and R12.919 million from 2016/17 to 2018/19, linked to contract posts which align to the Premier's term of office. The operations centre is responsible for co-ordinating the programme directed towards eradicating poverty in the province.

With regard to the 2017/18 MTEF, the following changes were made to the department's budget:

- In 2017/18, there was a reduction of the PES allocation due to data updates of the PES formula, as well as fiscal framework reductions. In addition, the budget databases submitted by departments in preparation for the September 2017 MTECs indicated a downward revision of the Provincial Own Revenue numbers, as such, the department's budget cut amounted to R2.734 million, R3.125 million and R5.543 million over the 2017/18 MTEF.
- As determined by the Provincial Executive Council on 2 November 2016, the remuneration of *Izinduna* was to commence in KZN and was calculated at R252.328 million, R266.206 million and R280.847 million over the 2017/18 MTEF. In this regard, it was agreed that the remuneration for 2016/17 be 50 per cent funded by an additional allocation from provincial cash resources and the balance of 50 per cent be funded through internal reprioritisation by COGTA. It was also agreed that the remuneration of *Izinduna* be funded in a similar manner over the 2017/18 MTEF in that COGTA funds 50 per cent of the amount needed for the remuneration of the *Izinduna* from within their baseline through reprioritisation, while the balance of 50 per cent be cut proportionately from all remaining Votes. As such, R1.033 million with carry-through was deducted from the OTP.
- Offsetting these cuts to some extent, is additional funding of R7.223 million provided by National Treasury in the outer year, ie. 2019/20 with carry-through, as well as additional funding of R767 000 in 2017/18 with carry-through for two years in respect of the KZNGBB's office accommodation at the Marine Building.

With regard to the 2018/19 MTEF, the department receives additional funding from National Treasury of R6.886 million in 2020/21 only, for the above-budget wage agreement. These funds have been allocated proportionately across all Votes.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The OTP budget will accordingly be cut by R3.808 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

Tables 1.6 and 1.7 summarise payments and estimates by programme and economic classification.

Table 1.6 : Summary of payments and estimates by programme: Office of the Premier

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	200 188	93 060	84 867	87 280	91 998	91 998	102 326	114 616	122 403
2. Institutional Development	270 173	356 521	356 095	354 275	369 908	369 908	410 377	430 098	457 188
3. Policy and Governance	294 891	278 883	266 599	300 570	301 565	301 565	274 434	277 854	295 108
Total	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	762 752	725 964	705 367	742 125	763 471	763 471	787 137	822 568	874 699

Table 1.7 : Summary of payments and estimates by economic classification: Office of the Premier

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	599 802	578 430	541 973	609 239	598 151	598 003	648 417	678 381	723 355
Compensation of employees	209 438	233 392	256 384	291 998	279 360	278 724	323 028	337 088	362 512
Goods and services	390 364	345 038	285 589	317 241	318 791	319 279	325 389	341 293	360 843
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	130 985	113 969	131 518	117 893	140 554	140 616	116 923	124 226	131 059
Provinces and municipalities	4 924	76	136	57	107	102	60	63	66
Departmental agencies and accounts	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 226	-	27	-	-	-	-	-	-
Households	29 248	22 516	35 983	26 201	26 487	26 554	21 909	23 467	24 758
Payments for capital assets	34 369	33 298	31 830	14 993	24 766	24 766	21 797	19 961	20 285
Buildings and other fixed structures	10 049	2 271	16 823	2 034	8 147	8 147	5 729	3 864	3 304
Machinery and equipment	21 895	27 194	14 202	8 297	14 514	14 533	11 249	10 998	11 602
Heritage assets	2 425	3 682	805	4 594	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	151	-	68	50	50	-	-	-
Payments for financial assets	96	2 767	2 240	-	-	86	-	-	-
Total	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	762 752	725 964	705 367	742 125	763 471	763 471	787 137	822 568	874 699

The structure of the department consists of three programmes, and does not conform fully to the generic programme structure of the sector at this stage, and this is in the process of being reviewed by the department. In addition to not fully conforming, in KZN, the Heritage sub-programme is included under Vote 1: Office of the Premier, although Heritage forms part of the uniform programme and budget structure for the Sport, Arts and Culture sector. Also, unique to KZN, following the signing of the proclamation to combine Vote 10 with Vote 1, the budget of the Royal Household was added to Vote 1's budget as a sub-programme under Programme 3: Policy and Governance, effective from 1 April 2015. Historic figures were adjusted accordingly in respect of this amalgamation. The Gaming and Betting function was added as a sub-programme within Programme 2 in line with Premier's Minute No. 2 of 2016 and this is also not in line with the uniform programme structure, as Gaming and Betting forms part of Economic Development in terms of the uniform programme structure. There were also internal movements in 2018/19 of certain of the responsibilities from Programme 3 to Programme 2, with the Youth Development function moved from the Premier's Priority Programmes sub-programme in Programme 3 to the Special Programmes sub-programme in Programme 2. The other internal movement was the Security Services function moved from the sub-programme: Strategic Human Resources to the sub-programme: Special Programmes within Programme 2. Historical figures have not been restated for either of these movements as the department does not keep records at this level.

There were budget cuts in the 2016/17 and 2017/18 MTEF processes, and these were implemented proportionately across all programmes, as well as most economic classifications, resulting in fluctuations over the period, with a significant reduction in 2016/17. Two of the department's public entities were affected by these cuts, namely Amafa and RHT.

In 2015/16, the bursaries budget was decentralised back to those departments from which the funds were originally moved, hence the reduction in 2015/16.

The spending against Programme 1: Administration decreased from 2015/16 as the OTP agreed to redirect the funds allocated for the development of the Luwamba Wellness Centre towards the running of the Integrity Management unit, which is in Programme 2. The decrease in 2016/17 and 2017/18 was due to the suspension of funds for the Luwamba Wellness Centre from 2014/15 to 2015/16. The allocation for 2017/18 was also reduced due to budget cuts, and grows thereafter. Programme 1 is increased in 2018/19 with carry-through over the MTEF as a result of funds being reprioritised within the department for the filling of 23 critical posts, including critical SCM posts in Logistics, Contract and Assets and Demand Management (Deputy and Assistant Directors, as well as SCM Practitioners), among others.

The amount against Programme 2: Institutional Development shows an increase over the seven-year period as a result of the centralisation of OTP's own communications budget from Programmes 1 and 3 to this programme, as well as, among other things, the OSS funds that were surrendered in 2014/15 with an understanding that the funding would be re-allocated to the department in 2015/16. This was mitigated by a decrease due to the bursaries budget being decentralised from 2015/16 back to the departments from which the funds were originally moved in prior years. The significant increase in the 2017/18 Adjusted Appropriation includes funds for the Gaming and Betting function, the continued operation of the Training Academy in its current premises, the Provincial Bursary Programme, LAN and IT upgrades within OTP, capacitation of the Integrity Management unit, communication campaigns, etc. During the 2018/19 MTEF, there was internal reprioritisation to cater for the filling of 11 critical posts, including Chief Director: Integrity Management, Democracy and Security Services, among others. The major increase over the MTEF is a result of the movement of the Youth Development function to this programme, within the Special Programmes sub-programme, from Programme 3. Historical figures for the administrative costs have not been restated as the department does not keep records at this level.

Programme 3: Policy and Governance fluctuates over the period. In 2015/16, there was a movement of funds originally earmarked for the Youth Ambassadors' programme from Programme 2 to Programme 3 to fund the Youth Development function, and comparatives were not restated. This programme was affected by the fiscal consolidation cuts in 2016/17. However, additional funding was received for the PEMP in this programme, with carry-through from 2015/16 to 2018/19. It must also be noted that, from 2015/16, the Royal Household sub-programme and the RHT public entity were added to this programme, as a result of the amalgamation of Votes 1 and 10. The growth in 2017/18 includes funds for the PGDS review, Citizen Satisfaction Survey, the PPC, OSS, HIV and AIDS programmes, His Majesty, the King's support, human rights campaigns, as well as erection of heritage monuments and unveiling of tombstones of struggle icons identified by the Premier. During the 2018/19 MTEF, there was internal reprioritisation to cater for the filling of 15 critical posts including two Directors (HIV and AIDS, Heritage), as well as Farm Aids, General Worker Supervisors and Drivers, among others. The major decrease over the MTEF was as a result of the movement of the Youth Development function from this programme to Programme 2. Historical figures have not been restated as the department does not keep records at this level.

Compensation of employees grew strongly in the early years due to the ongoing implementation of the new organisational structure. However, the department will not be in a position to implement the new organisational structure fully as anticipated due to the freezing of all vacant non-OSD posts. As mentioned, there was significant reprioritisation during the 2018/19 MTEF from *Goods and services* to *Compensation of employees* to cater for the phased in filling of 56 critical vacant posts. In addition, the department received funding in 2020/21 for the carry-through costs of the wage agreement, as mentioned. Despite this movement and additional funding, the growth for this category in 2019/20 and 2020/21 is not sufficient to cater for the carry-through costs of the filling of posts as the growth is less than the inflationary wage adjustment of 6.3 and 6.5 per cent, as well as the 1.5 per cent pay progression. Although growth is sufficient in 2018/19, the two outer years will be reviewed in the next MTEF process, as this category is currently growing by 4.4 per cent in 2019/20 and 7.5 per cent in 2020/21.

Goods and services decreases from 2014/15 to 2016/17 mainly due to the deduction of R2.781 million relating to previous years' irregular expenditure, as well as the shifting of funds in respect of the Training Academy to *Buildings and other fixed structures*, for the costs of a feasibility study and drafting of plans

for a new building, prior to the 2016/17 MTEF cuts. This decrease is despite the fact that, in 2015/16, there was a re-allocation of funds for the Luwamba Wellness Centre and OSS projects, which were suspended in 2014/15, as well as additional funding for OSS Diakonia Council of Churches. As mentioned, additional funding of R10.270 million was received for the PEMP operations centre, with carry-through from 2015/16 to 2018/19. The bulk of this funding is included under *Compensation of employees*, as well as *Goods and services*. The decrease in 2016/17, as well as the below inflationary growth in 2017/18, are mainly ascribed to the budget cuts. The minimal growth in this category over the 2018/19 MTEF is a result of funds being reprioritised from *Goods and services* to *Compensation of employees*, as mentioned above. However, this was mitigated to some extent by an increase in *Goods and services* as a result of funds being reprioritised from *Transfers and subsidies to: Households* for the Youth Development function to cater for the unit's operational needs. The bulk of the funding reprioritised from *Goods and services* is from a planned reduction in the cost of events held by the department.

The category *Transfers and subsidies* is analysed as follows:

- *Provinces and municipalities* generally caters for the payment of motor vehicle licences. The high expenditure in 2014/15 was due to once-off additional funding transferred to the eThekweni Metro for the implementation of the commemoration monument in respect of the arrival of the Indian indentured labourers in South Africa. Unfortunately, this monument has not been completed and unveiled to date and the department is currently reviewing this project. The higher growth in 2017/18 is as a result of vehicle registrations in the ICT sub-programme. Additional vehicles were purchased at the beginning of 2017/18 and the vehicle registration fees were not budgeted for. There is steady growth over the 2018/19 MTEF in respect of motor vehicle licences.
- *Departmental agencies and accounts* caters for transfers to Amafa, RHT, as well as the KZNGBB. The amounts in 2014/15 and 2015/16 include the amalgamation of DRH and the OTP, as well as the transfer to the RHT. Funds were also reprioritised within the department's baseline to increase the transfer to Amafa for the purchase of vehicles and salary related costs. The OTP reprioritised a further R4 million for the RHT in 2015/16 to cater for outstanding invoices that required payment, accounting for the dip in 2016/17. The increase in the 2017/18 Adjusted Appropriation is due to once-off funding for the KZNGBB, which was requested to return an amount of approximately R20.800 million a few years ago to the Provincial Revenue Fund for the fund to earn the associated interest on this capital amount. The KZNGBB was initially allocated these funds to acquire new office accommodation for their operations, and the amount was therefore returned to the KZNGBB for rental of accommodation. The entity has only recently secured rental space in Pietermaritzburg for their offices, but this tender is currently under appeal. The 2018/19 MTEF provides for inflationary growth only in transfers to the department's three public entities.
- With regard to *Non-profit institutions*, an amount of R4.226 million was spent in 2014/15, as the province's contribution to the construction of the Denis Hurley Centre. In 2016/17, a sponsorship of R27 000 was given to the KZN Law Society for a function to honour the appointment of members of the judiciary.
- *Households* consists of staff exit costs, medical aid contributions for ex-parliamentarians (PARMED), the Provincial Bursary Programme, etc. The fluctuations relate to staff exit costs, which are difficult to accurately predict. In 2014/15, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends to cater for unexpected in-year spending pressure in respect of bursaries, which were largely once-off, accounting for the significant dip in 2015/16. Also during 2015/16, a decision was taken to decentralise the external bursaries budget back to the departments from which the funds were originally moved. The amount budgeted over the 2018/19 MTEF provides for staff exit costs, bursaries and PARMED. It must be noted, though, that there was a reprioritisation to this category of R14 million in 2016/17 with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. During the 2018/19 MTEF, this category was reduced by R5 million to cater for operational costs for the Youth Development function.

With regard to *Buildings and other fixed structures*, the Training Academy building was claimed back by DOE in 2012/13 to assist educators with continuous professional development. The Training Academy

continued to function from its current location, but the department, together with DOPW, identified a site in Westville to build a new Training Academy. The reduction in 2015/16 was primarily attributed to the R15.690 million, specifically and exclusively appropriated for the construction of the Training Academy, being suspended to 2016/17. The reduction in 2017/18 is mainly ascribed to the previously mentioned budget cuts relating to the Training Academy, where the funding to construct a new facility was cut from the department's baseline. As a result of the cuts, the OTP is still in talks with DOE for the Training Academy to continue operating from the current premises, in an effort to make sure that operations continue unaffected. The budget over the MTEF provides for various projects including the renovations to the roof and pool in respect of the Premier's Parkside residence, the development of the Terry Street parking facility for OTP head office use, as well as renovations to Royal palaces.

Machinery and equipment relates to the purchase of essential office furniture and equipment for new appointments and the purchase of official vehicles. The spending in 2014/15 was attributed to the purchase of replacement motor vehicles and for office furniture and equipment for new appointments. The increase in 2015/16 was due to the upgrades to the Provincial Executive Council offices. This increase was also due to funds reprioritised from within the department for the installation of security systems, asset tracking devices, as well as departmental vehicles. These once-off increases account for the decrease in 2016/17. The further drop in 2017/18 relates to the fact that the department did not budget for furniture in 2017/18. The increase in the 2017/18 Adjusted Appropriation was mainly for the purchase of mini-buses to serve as mobile offices in the various districts. The MTEF caters for the replacement of departmental vehicles, including the Queens' vehicles, which are replaced on a needs basis.

The amount reflected under *Heritage assets* includes expenditure for the Isandlwana and Heroes' Acre projects from 2013/14 for which no roll-over was received, and this was therefore funded through internal reprioritisation. Very little expenditure was incurred in 2016/17 as a result of some planned heritage unveilings of monuments and tombstones of past struggle stalwarts not taking place as anticipated, due to the need to first undertake consultation with relevant stakeholders. The 2018/19 MTEF amounts cater for various tombstones, unveilings of struggle icons and walls of remembrance.

Software and other intangible assets caters for software upgrades for the department in general, and the Nerve Centre in particular. No spending is currently planned in this regard over the MTEF, and this will be reviewed in-year.

Payments for financial assets is attributed to the first charge for the DRH and debts written off. The final instalment of the first charge was paid in 2016/17.

7.4 Summary of conditional grant payments and estimates – Nil

7.5 Summary of infrastructure payments and estimates

Table 1.8 summarises the infrastructure payments and estimates relating to the department.

Table 1.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	8 553	2 271	7 284	5 034	11 147	11 147	8 046	6 413	6 108
Maintenance and repair: Current	-	-	1 366	3 000	3 000	3 000	2 317	2 549	2 804
Upgrades and additions: Capital	-	-	-	-	-	-	3 557	-	-
Refurbishment and rehabilitation: Capital	8 553	2 271	5 918	2 034	8 147	8 147	2 172	3 864	3 304
New infrastructure assets: Capital	1 496	-	10 905	-	-	-	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	12 456	13 702	14 456
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	10 049	2 271	18 189	5 034	11 147	11 147	20 502	20 115	20 564
<i>Capital infrastructure</i>	10 049	2 271	16 823	2 034	8 147	8 147	5 729	3 864	3 304
<i>Current infrastructure</i>	-	-	1 366	3 000	3 000	3 000	14 773	16 251	17 260

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

The maintenance and repair work that is undertaken at the Royal palaces is recorded as *Maintenance and repair: Current*. Capital additions are shown against *Upgrades and additions: Capital* and *Refurbishment and rehabilitation: Capital*.

With regard to *Maintenance and repair: Current*, the Training Academy continued to function from its current location, while all planned construction work in respect of the new Training Academy was put on hold for the time being. The 2018/19 MTEF allocations provide for the maintenance work of the administrative offices, as well as the Royal palaces.

Upgrades and additions: Capital in 2018/19 reflects funding allocated for the Terry Street parking facility that is being developed alongside the Moses Mabhida head office building.

Refurbishment and rehabilitation: Capital reflects expenditure related to projects at the Royal palaces. The significant increase in 2016/17 was attributed to the roll-over of R8 million towards the renovations of the Royal palaces. The increase in the 2017/18 Adjusted Appropriation relates to a further roll-over of the above-mentioned funding for the Royal palaces, the construction of six rondavels at the Nyokeni Palace, rehabilitation at the Premier's Parkside residence in respect of cracks in the swimming pool and general repairs to the pool surrounds, as well as electrical rewiring at the Premier's Parkside residence. The 2018/19 MTEF provides for the completion of existing projects, such as the Ingwavuma Palace projects and the Royal Household office renovations in Nongoma, as well as roof and pool renovations at the Premier's Parkside residence. The sixth floor of the Moses Mabhida building currently requires rehabilitation for a malfunctioning drainage system, and this is not provided for in the 2018/19 MTEF. The department will review this in-year and will prioritise this project based on available funding.

The amount of R1.496 million reflected in 2014/15 against *New infrastructure assets: Capital* relates to the feasibility study in respect of the construction of the Training Academy at the time. As mentioned, funds for the construction of the Training Academy were deducted from the department's budget due to the fiscal consolidation cuts in 2016/17. The spending in 2016/17 relates to the feasibility study and the preparation of plans in respect of the Training Academy.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

The OTP exercises oversight over three public entities, namely Amafa, RHT and KZNGBB. Table 1.9 illustrates transfers made to the public entities over the seven years under review. Financial summaries received from Amafa, RHT and KZNGBB are given in *Annexure – Vote 1: Office of the Premier*.

Table 1.9 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfers to public entities	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
Amafa Prog. 3.4: Heritage	35 149	34 977	33 028	32 263	32 263	32 263	33 989	35 960	37 938
KZNGBB Prog. 2.7: Gaming and Betting	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Royal Household Trust Prog. 3.3: Royal Household	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Transfers to other entities	4 226	-	27	-	-	-	-	-	-
Denis Hurley Centre Prog. 3.4: Heritage	4 226	-	-	-	-	-	-	-	-
KZN Law Society Prog. 2.4: Legal Services	-	-	27	-	-	-	-	-	-
Total	96 813	91 377	95 399	91 635	113 960	113 960	94 954	100 696	106 235

Amafa is responsible for administering heritage conservation on behalf of the provincial government. The entity's main objective is to promote awareness of the significance and value of cultural heritage resources, while ensuring that cultural heritage management is integrated into economic, social and environmental activities in KZN. An amount of R3.059 million was allocated in 2014/15 to enable Amafa to apply for World Heritage status in respect of the Emakhosini Valley, to upgrade its research and education facilities, as well as various heritage sites, and to also purchase support equipment. From 2015/16, funds were reprioritised from within the department to increase the transfer to Amafa for the purchase of vehicles and salary related costs. The decrease in 2015/16 and 2016/17 is ascribed to the fact

that the additional funding received in 2014/15 was largely once-off. Also, the decrease from 2016/17 is mainly ascribed to the fiscal consolidation cuts of R4.888 million with carry-through, which the department also implemented against Amafa and RHT. Growth over the 2018/19 MTEF is inflationary only. As mentioned, it is envisaged that a new Schedule 3 public entity will be formed, amalgamating Amafa and the Heritage unit to become the KZN Amafa and Research Institute. It is anticipated that this entity will be established in 2018/19, once the necessary legislative processes have taken place.

The main objective of the KZNGBB is to ensure that all gambling authorised in terms of the KZN Gaming and Betting Act (as amended) is conducted in a manner that promotes the integrity of the horse racing, gaming and betting industry. In addition, the Board promotes KZN's objective to develop the industry as a vehicle for the promotion of tourism, employment creation and economic development. This entity was moved under the auspices of OTP in 2016/17 to shift the function of gaming and betting from Vote 6 to Vote 1 and comparatives were restated. The reduction in 2015/16 was in line with cost-cutting. The entity's budget was also increased by R767 000 in 2017/18 with carry-through for two years only, in respect of the office accommodation at the Marine Building. The increase in the 2017/18 Adjusted Appropriation is due to once-off funding for the KZNGBB, initially allocated to acquire new office accommodation for their operations. As mentioned, the amount was therefore returned to the KZNGBB for rental of accommodation. KZNGBB's transfer over the 2018/19 MTEF grows steadily in line with inflation. Note that the KZN Gaming and Betting Amendment Act (2017) was passed by the Provincial Legislature, as mentioned.

The RHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007, but will be governed by the KZN Royal Household Trust Bill, 2015 once enacted in 2018/19. The entity was registered as a Schedule 3C provincial public entity during 2012/13. In 2011/12, 2012/13 and 2013/14 (not visible in the table), funds were transferred to the RHT to cater for the set-up costs of the Trust, remuneration of the Trustees, as well as various costs of the RHT, which were administered by the Trust. This included municipal costs, fuel, food supplies, etc., relating to Queens and other members of the Royal family. During 2015/16, an additional amount of R4 million was reprioritised from within Vote 1 to the RHT to cater for outstanding invoices from 2014/15. The decrease in 2016/17 was mainly ascribed to the previously mentioned fiscal consolidation cuts, mitigated to some extent by a once-off increase in transfer of R7.810 million to the RHT for operational expenses, accounting for the decrease in 2017/18. The budget over the 2018/19 MTEF provides for the various operational costs of the RHT and increases are inflationary only.

There were also departmental transfers to other entities. In 2014/15, an amount of R4.226 million was allocated as the province's contribution to the construction of the Denis Hurley Centre in Durban. In 2016/17, a sponsorship of R27 000 was given to the KZN Law Society for a function to honour the appointment of members of the judiciary.

7.8 Transfers to local government

Table 1.10 provides a summary of transfers to local government by category. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from Table 1.11.

Table 1.10 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	4 865	-	-	-	-	-	-	-	-
Category B	-	-	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	4 865	-	-	-	-	-	-	-	-

The R4.865 million in 2014/15 is in respect of the transfer to the eThekweni Metro for the 150-year commemoration of the Indian indentured labourers. Unfortunately, this monument has not been completed and unveiled to date and the department is currently reviewing this project.

7.9 Transfers and subsidies

Table 1.11 summarises transfers by programme and main category over the seven-year period.

Table 1.11 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Households	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Staff exit costs	102	94	1 552	-	2	65	-	-	-
PARMED	1 623	1 005	934	1 117	1 117	1 055	1 182	1 248	1 317
2. Institutional Development	66 489	53 712	72 705	42 931	63 354	63 359	63 712	67 932	71 668
Provinces and municipalities	59	76	124	57	107	95	60	63	66
Motor vehicle licences	59	76	124	57	107	95	60	63	66
Departmental agencies and accounts	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
KZNGBB	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Non-profit institutions	-	-	27	-	-	-	-	-	-
KZN Law Society	-	-	27	-	-	-	-	-	-
Households	27 154	21 238	33 187	3	51	68	20 727	22 219	23 441
Staff exit costs	673	455	446	3	51	67	3	3	3
Provincial Bursary Programme	26 481	20 783	32 741	-	-	1	20 724	22 216	23 438
3. Policy and Governance	62 771	59 158	56 327	73 845	76 081	76 137	52 029	55 046	58 074
Provinces and municipalities	4 865	-	12	-	-	7	-	-	-
Motor vehicle licences	-	-	12	-	-	7	-	-	-
Indian Indentured labourers (eThekweni)	4 865	-	-	-	-	-	-	-	-
Departmental agencies and accounts	53 311	58 979	56 005	48 764	50 764	50 764	52 029	55 046	58 074
Amafa	35 149	34 977	33 028	32 263	32 263	32 263	33 989	35 960	37 938
RHT	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Non-profit institutions	4 226	-	-	-	-	-	-	-	-
Denis Hurley Centre	4 226	-	-	-	-	-	-	-	-
Households	369	179	310	25 081	25 317	25 366	-	-	-
Staff exit costs	369	177	310	9	245	323	-	-	-
Provincial Bursary Programme	-	2	-	25 072	25 072	25 043	-	-	-
Total	130 985	113 969	131 518	117 893	140 554	140 616	116 923	124 226	131 059

The bulk of the motor vehicle licence budget is in Programme 2. It is noted that the Auxiliary Services unit moved from Programme 1 to Programme 2 in 2015/16 and prior year figures were adjusted. However, in 2016/17, R12 000 was spent against *Provinces and municipalities* under Programme 3 relating to the Royal Household motor vehicle licences.

Programme 1 reflects transfers against *Households* for social benefits relating to staff exit costs, as well as medical aid contributions for ex-parliamentarians (PARMED).

Programmes 2 and 3 house the bulk of the *Transfers and subsidies* budget:

- *Departmental agencies and accounts* relates to transfers made to Amafa, RHT and KZNGBB. The trends are discussed in detail in Section 7.7.
- The amounts reflected against *Non-profit institutions* relate to funding transferred for the construction of the Denis Hurley Centre (R4.226 million) in 2014/15, as well as a sponsorship to the KZN Law Society (R27 000), as previously explained.
- The category *Households* caters for bursaries and staff exit costs. It must be noted that, although the Provincial Bursary Programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP, but now administered under Programme 2. During 2015/16, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends, to cater for the in-year spending pressure in respect of bursaries. It must also be noted that the bursaries function was moved from Programme 3 to Programme 2 from 2018/19 onward. The department reprioritised an additional R14 million to this category in 2016/17 with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. During the 2018/19 MTEF, this category was reduced by R5 million to cater for operational costs for the Youth Development function. The 2018/19 MTEF reflects steady growth from the lower base.

8. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below. The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure – Vote 1: Office of the Premier*.

8.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Provincial Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. The department does not fully conform to the generic programme structure of the sector at this stage partly due to the exclusion of the Programme Support sub-programme.

It is noted that, in 2015/16, there were several functions that moved out of Programme 1 to Programme 2, such as Integrity Management, Auxiliary Services, Security Services and Ombudsman. This was done to enhance operational efficiency. The department was unable to adjust prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level.

The objectives of this programme are as follows:

- To provide logistical, administrative and advisory support to the Premier in executing the constitutional mandate and statutory duties.
- To render secretariat support services to the Provincial Executive Council, clusters, and key provincial committees.
- To provide operational support to the Director-General in strategically managing the province.
- To provide financial management support and advisory services.

Tables 1.12 and 1.13 reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2014/15 to 2020/21.

Table 1.12 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Premier Support	44 535	38 124	35 866	24 070	25 372	25 372	27 751	29 670	31 299
2. Executive Council Support	8 280	7 961	9 546	9 843	10 443	10 443	10 264	11 023	11 629
3. Director-General Support	17 235	13 424	9 743	14 142	13 290	13 290	14 458	15 530	16 384
4. Financial Management	130 138	33 551	29 712	39 225	42 893	42 893	49 853	58 393	63 091
Total	200 188	93 060	84 867	87 280	91 998	91 998	102 326	114 616	122 403

Table 1.13 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	187 121	90 574	81 165	84 992	89 425	89 424	99 880	112 030	119 675
Compensation of employees	74 941	54 836	53 049	52 662	52 660	52 659	66 878	72 678	78 155
Goods and services	112 180	35 738	28 116	32 330	36 765	36 765	33 002	39 352	41 520
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Payments for capital assets	11 318	1 361	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 318	1 214	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	147	-	-	-	-	-	-	-
Payments for financial assets	24	26	-	-	-	-	-	-	-
Total	200 188	93 060	84 867	87 280	91 998	91 998	102 326	114 616	122 403

The sub-programme: Premier Support provides technical, administrative and advisory support to the Premier in executing his constitutional mandate. The decrease in 2017/18 is primarily attributed to the once-off internal reprioritisation of R5 million for the Moerane Commission of Inquiry into political killings in KZN, during 2016/17. In 2017/18, the funds for the Moerane Commission were reflected under the Financial Management sub-programme. The below inflationary growth over the 2018/19 MTEF is mainly ascribed to the carry-through effect of the previously mentioned fiscal consolidation budget cuts.

The sub-programme: Executive Council Support renders secretariat support services to the Provincial Executive Council. The inflationary growth over the MTEF is mainly ascribed to the weekly Provincial Executive Council meetings, clusters, as well as the bi-annual Provincial Executive Council *Lekgotla*. The department plans to fill two Assistant Director posts in this sub-programme in 2018/19.

The Director-General Support sub-programme provides operational support to the Director-General in strategically managing the province. The Internal Control and Organisational Risk Management Directorates are part of this sub-programme. The 2018/19 MTEF amounts are significantly lower than 2014/15 due to the structure changes, such as the movement of the Security Services responsibility to the Strategic Human Resources sub-programme in Programme 2 for which prior year comparatives could not be adjusted, as the department's records are not kept at that level. The above inflation increase from 2016/17 to 2017/18 is due to the inclusion of the newly created Internal Control and Risk Management Directorate under this programme. The department plans to fill five posts in this sub-programme in 2018/19, including Assistant Director: Risk Analysts, among others.

The Financial Management sub-programme provides financial management support and advisory services to the Premier and Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. This sub-programme also houses the Office of the CFO. The significant decrease from 2014/15 to 2015/16 relates to the movement of the Administration and Auxiliary Services, as well as the Integrity Management functions from Programme 1 to Programme 2. Prior years could not be restated. The above inflationary growth in 2017/18 is primarily due to the internal reprioritisation of funds for the Moerane Commission, which is expected to provide a final report in 2018/19, as well as procurement of financial management reporting tools for the OTP, which will enable the OTP to scan all payment vouchers and link to transactions in Emapp (an in-house system that draws data from BAS into Excel format). The department plans to fill 16 posts in 2018/19, including critical posts in SCM in Logistics, Contract and Assets and Demand Management (Deputy and Assistant Directors, as well as SCM Practitioners), among others.

The negative growth in 2017/18 against *Compensation of employees* is mainly ascribed to the previously mentioned fiscal consolidation cuts relating to the freezing of all non-OSD posts. The above inflationary growth of 27 per cent in 2018/19 is attributed to the filling of 23 critical vacant posts and provision has been adequately made for the carry-through costs over the 2018/19 MTEF, with growth of 8.7 per cent and 7.5 per cent in the two outer years of the MTEF.

The decrease in *Goods and services* from 2014/15 to 2015/16 relates to the movement of the Administration and Auxiliary Services, as well as the Integrity Management functions from Programme 1 to Programme 2, as mentioned. The above inflationary growth in 2017/18 is mainly ascribed to the internal reprioritisation of funds for the Moerane Commission in the 2017/18 Adjusted Appropriation. This once-off funding explains the negative growth in 2018/19. The category grows strongly in 2019/20 due to the anticipated costs of the financial management reporting tools, as mentioned.

Transfers and subsidies to: Households caters for payments in respect of staff exit costs and PARMED. The below inflationary growth over the 2018/19 MTEF is mainly attributed to the fact that PARMED beneficiary numbers are decreasing from year-to-year due to natural attrition.

The amounts against *Machinery and equipment* can be ascribed to procurement of furniture and equipment for this programme. The reduction over the 2018/19 MTEF is a result of the completion of the hardware upgrades of the Provincial Executive Council office, as well as internal reprioritisation to the same category in Programmes 2 and 3, to cater for the replacement of computer equipment and departmental vehicles.

Software and other intangible assets in 2015/16 relates to the purchase of software for the Provincial Executive Council office.

Payments for financial assets mainly relates to the write-off of debts.

Service delivery measures: Administration

Table 1.14 illustrates service delivery measures pertaining to Programme 1. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Also note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.14 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Premier Support					
1.1 Administrative support services to the Premier	• No. of Provincial Executive Council decision matrix implementation progress reports submitted to the Provincial Executive Council	20	20	20	20
2. Executive Council Support					
2.1 Effective and efficient Provincial Executive Council and key committees administrative support service	• No. of Provincial Executive Council meeting decision matrices circulated within 10 working days of meeting	20	20	20	20
3. Director-General Support					
3.1 Strategic management meeting resolutions	• No. of EXCO meetings supported	12	12	12	12
4. Financial Management					
4.1 Financial management reports	• No. of financial management reports, monthly IYM submitted to Provincial Treasury by the 15th of each month	12	12	12	12
4.2 AFS	• No. of AFS submitted in terms of prescripts	1 final, 3 interim	1 final, 3 interim	1 final, 3 interim	1 final, 3 interim
4.3 Procurement plan	• No. of procurement plans submitted in terms of prescripts	1	1	1	1

8.2 Programme 2: Institutional Development

The purpose of this programme is to improve service delivery through institutional capacity building and transformation management in the province, and the objectives are:

- Providing transversal legal advisory and support services.
- Providing transversal human resource management and systems.
- Co-ordinating the holistic development of public servants as well as the citizenry of KZN in general.
- Providing strategic information communication technology, science and technology management, leadership and support.
- Providing strategic communication leadership and support.
- To promote and co-ordinate human rights programmes in KZN.
- To promote and co-ordinate the mainstreaming of human rights in public policy and planning processes in the provincial administration.
- To co-ordinate the implementation of gender equality programmes.
- To ensure a regulated gambling, gaming and betting industry.

Tables 1.15 and 1.16 summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2014/15 to 2020/21.

Table 1.15 : Summary of payments and estimates by sub-programme: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Strategic Human Resources	93 946	88 531	93 542	101 471	93 860	94 455	91 093	95 477	104 161
2. Information Communication Technology (ICT)	26 650	63 100	74 530	79 657	81 157	80 562	82 823	87 942	92 780
3. Legal Services	10 895	10 464	10 478	11 728	13 628	13 628	11 719	12 533	13 222
4. Communication Services	47 006	66 672	47 626	52 167	58 678	58 678	62 608	63 417	66 906
5. Special Programmes	32 542	79 053	72 039	46 137	39 437	39 437	98 383	103 118	108 790
6. Intergovernmental Relations	16 121	12 303	14 016	14 722	14 722	14 722	16 117	17 220	18 167
7. Gaming and Betting	43 013	36 398	43 864	48 393	68 426	68 426	47 634	50 391	53 162
Total	270 173	356 521	356 095	354 275	369 908	369 908	410 377	430 098	457 188

Table 1.16 : Summary of payments and estimates by economic classification: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	193 258	283 175	266 097	306 846	296 122	296 117	338 108	355 774	379 549
Compensation of employees	82 317	109 082	117 050	142 641	129 300	129 295	156 911	167 946	180 617
Goods and services	110 941	174 093	149 047	164 205	166 822	166 822	181 197	187 828	198 932
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	66 489	53 712	72 705	42 931	63 354	63 359	63 712	67 932	71 668
Provinces and municipalities	59	76	124	57	107	95	60	63	66
Departmental agencies and accounts	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	27	-	-	-	-	-	-
Households	27 154	21 238	33 187	3	51	68	20 727	22 219	23 441
Payments for capital assets	10 388	19 614	17 292	4 498	10 432	10 432	8 557	6 392	5 971
Buildings and other fixed structures	1 262	-	10 905	804	3 104	3 104	4 747	2 361	1 718
Machinery and equipment	9 126	19 614	6 387	3 626	7 278	7 278	3 810	4 031	4 253
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	68	50	50	-	-	-
Payments for financial assets	38	20	1	-	-	-	-	-	-
Total	270 173	356 521	356 095	354 275	369 908	369 908	410 377	430 098	457 188

The Gaming and Betting function was moved from Vote 6 to Vote 1 in 2016/17 in line with Premier's Minute No. 2 of 2016, and comparatives were restated, and this accounts for the prior years amounts not corresponding to the amounts reflected in the 2017/18 *EPRE*. There were also several functions that moved internally out of Programmes 1 and 3 to Programme 2 during 2015/16. As mentioned, from Programme 1 to this programme were movements of responsibilities such as Integrity Management, Auxiliary Services, Security Services and Ombudsperson. The movements from Programme 3 to this programme included the Special Programmes and the Intergovernmental Relations sub-programmes. This was done to enhance operational efficiency. The department was unable to adjust prior year comparatives across sub-programmes due to financial records not being kept at this level. In 2018/19, there are also movements of certain responsibilities from Programme 3 to Programme 2, with the Youth Development function moved from the Premier's Priority Programmes sub-programme in Programme 3 to the Special Programmes sub-programme in Programme 2. In addition, the Security Services function is moved within Programme 2 from the sub-programme: Strategic Human Resources to the sub-programme: Special Programmes. Historical trends could not be restated as records are not kept at this level.

The programme does not fully conform to the generic programme structure of the sector at this stage partly due to the addition of the Gaming and Betting sub-programme, as well as the Intergovernmental Relations and Special Programmes sub-programmes, which fall under Programme 3 in terms of the sector.

The Strategic Human Resources sub-programme facilitates, co-ordinates, monitors and promotes strategic human resources and development within provincial government, as well as internally within the OTP. This sub-programme includes the Training Academy. The increase in 2017/18 provides for the training programmes at the Training Academy, which aim to enhance the skills of public servants, the development of an electronic leave system for OTP and the centralisation of funds for Women Empowerment programmes, with each branch within the department reprioritising funding to allow centralised co-ordination and payments for these programmes. The decrease in 2018/19 is mainly attributed to the transfer of the Security Services functions to the sub-programme: Special Programmes.

Growth thereafter is inflationary only. The department plans to fill four posts in 2018/19 including Director: HRD Council and Deputy Directors: HR Strategic and Systems, as well as Skills Development.

The ICT sub-programme co-ordinates provincial government ICT and renders internal ICT support and auxiliary services to the department and increases steadily from 2014/15 to the 2018/19 MTEF, despite the restructuring process, which saw the Nerve Centre funds being moved from this sub-programme to the Provincial Policy Management sub-programme under Programme 3. Also, as from 2015/16, the Auxiliary Services unit was moved to this sub-programme, accounting for the significant increase in that year. The 2018/19 MTEF provides for LAN and IT upgrades for the whole department, as well as the department's administration and auxiliary services which are centralised under this sub-programme. The department plans to fill one post in 2018/19, namely Deputy Director: Strategic IT.

The Legal Services sub-programme provides a comprehensive and professional internal legal support service to OTP and provides an inter-departmental, transversal state law advisory service to departments. The once-off increase in 2017/18 is due to the internal reprioritisation of funds in the Adjustments Estimate for transversal legal investigations regarding confidential legal matters related to HODs and disciplinary hearings, hence the negative growth in 2018/19. The growth over the remainder of the MTEF is inflationary. The department plans to fill one post in 2018/19, namely Chief Director: Legal Services.

The Communication Services sub-programme provides an integrated and co-ordinated government communication service in the province, as well as internally within OTP. The sub-programme is responsible for the creation of a vibrant dialogue between OTP and the community by promoting a citizenship with positive moral values and enhancing synergy with other departments in service delivery. The above inflation increase in 2017/18 is due to the internal reprioritisation undertaken in the 2017/18 Adjustments Estimate for the transversal communication strategy for KZN, with the tender process still underway at the time of compiling this report. This strategy seeks to change the provincial government communication environment from the current one way communication approach and introduce an effective, targeted and impactful communication to the province's citizens. Although the growth is below inflation over the 2018/19 MTEF, this sub-programme will continue to co-ordinate various communication publications, campaigns and strategies, such as Simama, Anti-Rape, Anti-Xenophobia, Human Rights Day, Youth Day, Heritage Day, etc. This sub-programme also administers the Communication Forum which meets bi-annually and includes all departments. The department plans to fill two posts in 2018/19, namely Director: Content and Knowledge Management and Photographer.

The Special Programmes sub-programme includes the Integrity Management unit, the Office of the Ombudsperson and Democracy Support Services. Integrity Management aims to mitigate and eliminate incidences of unethical conduct by government officials with a view to improving good governance. Democracy Support Services ensures that government translates its constitutional, political and global commitments into measurable and meaningful programmes on gender, disability, children, as well as senior citizens vulnerable groups. The above inflationary growth over the 2018/19 MTEF is as a result of the incorporation of Security Services from the Strategic Human Resources sub-programme and the Youth Development function from Programme 3, under the Special Programmes sub-programme.

The Intergovernmental Relations sub-programme promotes effective co-operative governance through implementation of the Intergovernmental Relations Act. The growth over the 2018/19 MTEF is mainly inflationary. The 2018/19 MTEF will see the international strategy oriented towards not only ensuring KZN's domestic success but also internationally, as a geo-political and economic player at the global level. Also, the provincial protocol unit will be engaging in public education and promoting patriotism through awareness and respect for national symbols. In doing so, more partnerships with radio stations will be fostered as a medium for this public education. The department plans to fill three Chief Director posts in 2018/19, namely Integrity Management, Democracy and Security Services.

The sub-programme: Gaming and Betting provides for collection of gambling taxes for the province, regulating the gambling industry, ensuring the roll-out of gaming and betting initiatives and protecting the interests of patrons and the public at large. As mentioned in Section 6.1, all information relating to the Gaming and Betting function is now included under Vote 1, and includes both the KZNGBB and the administrative unit dealing with the function. The substantial increase of R20.033 million in the 2017/18 Adjusted Appropriation is in respect of office space requirements for the KZNGBB. The budget was also

increased by R767 000 with carry-through for two years in respect of the KZNGBB's office accommodation at the Marine Building. As such, of the total budget of the sub-programme over the 2018/19 MTEF, the transfer to the KZNGBB is R42.925 million, R45.650 million and R48.161 million, and the administration unit's budget is R4.709 million, R4.741 million and R5.001 million.

Compensation of employees over the MTEF relates to the staggered filling of 11 prioritised critical posts, as mentioned, and provision has not been adequately made for the carry-through costs over the 2018/19 MTEF, particularly in 2019/20 and 2020/21. The high growth of 21.4 per cent in 2018/19 includes the anticipated transfer of 14 officials related to the Youth Development function. The 7 per cent and 7.5 per cent over the two outer years of the MTEF is insufficient for the carry-through costs of the additional posts and the planned movement of staff, and the department will address this in the next budget process.

Goods and services reflects an increase in the 2018/19 MTEF as a result of the movement of the Youth Development function, internal reprioritisation for the electronic leave management system for OTP and the centralisation of funding for Women Empowerment projects, as mentioned. *Goods and services* in this programme provides for costs such as communication and hosting of service delivery events and campaigns, such as Anti-Rape and Anti-Xenophobia campaigns, Human Rights Day, Heritage Day, etc.

Transfers and subsidies to: Provinces and municipalities over the MTEF caters for motor vehicle licence fees. The higher growth in 2017/18 relates to vehicle registrations in respect of the ICT sub-programme.

Transfers and subsidies to: Departmental agencies and accounts comprises transfers to the KZNGBB. The increase in the 2017/18 Adjusted Appropriation was as a result of the funding for office accommodation for KZNGBB. The budget over the 2018/19 MTEF caters for inflationary increases only.

Transfers and subsidies to: Non-profit institutions in 2016/17 catered for a sponsorship to the KZN Law Society for a function to honour the appointment of members of the judiciary.

The amounts against *Transfers and subsidies to: Households* from 2014/15 cater for the high demand of the Provincial Bursary Programme, but this was decentralised during 2015/16. The 2018/19 MTEF provides for the external bursary budget of the OTP, which previously resided in Programme 3 against the sub-programme: Premier's Priority Programmes. The department has adjusted the historical trends to allow for trend analysis. In 2016/17, there was reprioritisation to this category of R14 million with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. During the 2018/19 MTEF, this category was reduced by R5 million to cater for operational costs for the Youth Development function. The department currently supports just over 400 students.

Buildings and other fixed structures pertains to the renovations at OTP's administrative buildings. As previously explained, the Training Academy is continuing to function from its current location for the time being, since the funds for building a new Training Academy are no longer available as a result of the fiscal consolidation cuts effected from 2016/17 onward. The 2018/19 MTEF provides for renovations of the Premier's Parkside residence, including rewiring, plumbing, as well as repairs to the swimming pool and surrounds, with a total of R5.269 million allocated over the MTEF. The department has not budgeted for the renovations to the sixth floor of the Moses Mabhida building, but will address this in-year.

Machinery and equipment shows a significant decrease in 2017/18 and 2018/19 and this is mainly due to the carry-through of previously mentioned fiscal consolidation cuts. The increase of R3 million in the 2017/18 Adjusted Appropriation was related to the purchase of mini-buses to serve as mobile offices in the district offices. The funds over the MTEF provide for furniture, laptops and departmental vehicles.

The spending in 2017/18 reflected against *Software and other intangible assets* is for software licence fees. No budget is provided for in the 2018/19 MTEF, and this will be reviewed in-year.

The department wrote off various losses against *Payments for financial assets* from 2014/15 to 2016/17.

Service delivery measures: Institutional Development

Table 1.17 illustrates service delivery measures pertaining to Programme 2. The service delivery outputs were revised and streamlined in terms of the re-alignment and re-focus to fall in line with the PGDP. Note that only a few main measures are reflected below, and the full set of measures is detailed in the APP.

Table 1.17 : Service delivery measures: Institutional Development

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2017/18	2018/19	2019/20	2020/21
1. Strategic Human Resources					
1.1 Technical human resource management policy support services	• No. of quarterly reports on technical support services provided to all HR units in the provincial govt. of KZN on policy matters	4	4	4	4
1.2 Public Service training sessions	• No. of training sessions	200	200	220	220
2. Information Communication Technology					
2.1 IT governance assessment reports	• No. of 6 monthly provincial depts' IT governance assessment co-ordination reports	2	2	2	2
3. Legal Services					
3.1 Appropriate and constitutionally compliant provincial legislation	• No. of quarterly reports on Provincial Legislative programme submitted within 10 days of end of each quarter	4	4	4	4
4. Communication Services					
4.1 Effective and efficient communication engagement	• No. of articles on the PGDP published in the print media targeting external audiences	8	8	8	8
5. Special Programmes					
5.1 Integrity conferences	• No. of Integrity leadership conferences (after every 2 nd year)	-	1	-	-
5.2 Annual performance plans for each human rights target group	• No. of annual performance business plans for human rights target groups: 1 x gender, 1 x disability, 1 x children, and 1 x senior citizens	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total
5.3 Ombudsperson co-ordination	• No. of OTP Ombudsperson reports	4	4	4	4
6. Intergovernmental Relations (IGR)					
6.1 Technical Premier's forum meetings	• No. of IGR Technical Premier's forum decision matrices	4	4	4	4
7. Gaming and Betting					
7.1 Enhance the gaming and betting regulatory environment in KZN	• Amended KZN Gaming and Betting legislation implemented	Amended 2010 Gaming and Betting Act	Amended Gaming and Betting regulation of 2012	Review of amended 2010 Gaming and Betting Act and Gaming and Betting regulation of 2012	Review of amended 2010 Gaming and Betting Act and Gaming and Betting regulation of 2012
	• No. of quarterly assessment reports on Gaming Board activities	4 quarterly reports	4 quarterly reports	4 quarterly reports	4 quarterly reports
	• No. of functionality assessment reports	2	2	4	4

8.3 Programme 3: Policy and Governance

The purpose of this programme is to initiate province-wide development and implementation of policies and strategies to achieve a co-ordinated approach toward sustainable provincial growth and development, and the objectives are as follows:

- To capacitate the provincial government and administration on governance and public policy management.
- To manage and co-ordinate strategic projects as mandated by the Premier and the Provincial Executive Council.
- To conserve, manage and promote awareness of the cultural heritage resources of KZN.
- To ensure a co-ordinated approach with respect to provincial policy management.
- To co-ordinate a comprehensive response to the socio-economic impact of HIV and AIDS.
- To ensure successful implementation of priority socio-economic programmes and projects in KZN.
- To ensure the effectiveness of policy, planning and programme interventions through evaluation of strategic policy outcomes.

- To design and utilise a functional monitoring and evaluation system for the provincial government and administration and local government.
- To provide support services to His Majesty, the King, and facilitate the smooth functioning of RHT.

This programme does not fully conform to the generic structure of the sector because it includes Royal Household, Heritage, as well as the Intergovernmental Relations and Special Programmes sub-programmes, which fall under Programme 2 but, in terms of the sector, should fall under Programme 3.

Several functions moved out of Programme 3 to Programme 2 to enhance operational efficiency in 2015/16 and historical numbers were restated for comparative purposes. As mentioned, these included the Special Programmes and the Intergovernmental Relations sub-programmes. This was done to align the financial and organisational structures. In the 2018/19 MTEF, the Youth Development function moved from Programme 3 to Programme 2. The department was unable to provide prior year comparatives for this adjustment across sub-programmes due to financial records not being kept at this level. However, historical figures were adjusted for the Royal Household sub-programme for comparative purposes.

Tables 1.18 and 1.19 provide a summary of payments and estimates for the period 2014/15 to 2020/21.

Table 1.18 : Summary of payments and estimates by sub-programme: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Provincial Policy Management	27 382	34 153	40 746	50 579	48 029	42 787	50 626	53 840	58 772
2. Premier's Priority Programmes	116 667	120 736	100 179	132 428	129 160	132 468	98 145	90 538	95 518
3. Royal Household	54 496	59 717	73 346	58 884	69 897	71 831	65 830	70 014	73 865
4. Heritage	96 346	64 277	52 328	58 679	54 479	54 479	59 833	63 462	66 953
Total	294 891	278 883	266 599	300 570	301 565	301 565	274 434	277 854	295 108
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	292 391	276 383	264 405	300 570	301 565	301 565	274 434	277 854	295 108

Table 1.19 : Summary of payments and estimates by economic classification: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	219 423	204 681	194 711	217 401	212 604	212 462	210 429	210 577	224 131
Compensation of employees	52 180	69 474	86 285	96 695	97 400	96 770	99 239	96 464	103 740
Goods and services	167 243	135 207	108 426	120 706	115 204	115 692	111 190	114 113	120 391
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	62 771	59 158	56 327	73 845	76 081	76 137	52 029	55 046	58 074
Provinces and municipalities	4 865	-	12	-	-	7	-	-	-
Departmental agencies and accounts	53 311	58 979	56 005	48 764	50 764	50 764	52 029	55 046	58 074
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 226	-	-	-	-	-	-	-	-
Households	369	179	310	25 081	25 317	25 366	-	-	-
Payments for capital assets	12 663	12 323	13 322	9 324	12 880	12 880	11 976	12 231	12 903
Buildings and other fixed structures	8 787	2 271	5 918	1 230	5 043	5 043	982	1 503	1 586
Machinery and equipment	1 451	6 366	6 599	3 500	5 782	5 801	6 175	5 629	5 938
Heritage assets	2 425	3 682	805	4 594	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	4	-	-	-	-	-	-	-
Payments for financial assets	34	2 721	2 239	-	-	86	-	-	-
Total	294 891	278 883	266 599	300 570	301 565	301 565	274 434	277 854	295 108
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	292 391	276 383	264 405	300 570	301 565	301 565	274 434	277 854	295 108

As mentioned, the baseline available for Programme 3 was reduced by the first charge (shown below the total line) that was imposed on the former Vote 10 and must therefore be honoured in line with a SCOPA resolution. The final instalment of the first charge was paid in 2016/17.

The Provincial Policy Management sub-programme provides for strategic planning, research co-ordination, and monitoring and evaluation. The PPC also resides in this sub-programme. The MTEF caters for the annual Citizen Satisfaction survey, PGDS and PGDP reviews undertaken every two years, support to AWG 17, provincial and internal QPR and APP reviews, etc. and shows good growth over the MTEF.

The sub-programme: Premier's Priority Programmes promotes the culture of engagement by co-ordinating stakeholder participation, priority programmes incorporating Veterans' Support, HIV and AIDS, OSS, the co-ordination of the Inkululeko projects (phases 2 and 3) in uMzinyathi and uThukela, as well as PEMP co-ordination. The funding for phase 1 (Ndumo) comes to an end in 2018/19. The funding for the PEMP co-ordination function will be reviewed in-year. Also contributing to the reduced MTEF baseline is the movement of the Youth Development function to Programme 2, as mentioned previously. The department plans to fill one post in 2018/19, namely Director: HIV and AIDS.

The sub-programme: Royal Household provides support services to His Majesty, the King and the Royal Household. DRH and the RHT fall under the auspices of the OTP. As previously mentioned, DRH had a first charge that had to be honoured up to 2016/17, as shown in the table. The increase of R11.013 million in the 2017/18 Adjusted Appropriation relates to reprioritisation to address spending pressures from the filling of critical posts such as plumbers and drivers, day-to-day infrastructure maintenance, as well as to increase the transfer to the RHT by R2 million for operational spending pressures, including higher stock feed costs due to the drought. The 2018/19 MTEF provides for inflationary increases in the transfer to the RHT, as well as for His Majesty, the King's ceremonies such as *Umkhosi Womhlanga* (Reed dance), *Umkhosi Wamaganu* (annual Amarula Festival), *Umkhosi Woselwa* (Thanksgiving), homecoming of *Abakhetha*, various operational costs of the unit, and renovations to the Royal palaces. The department plans to fill 13 posts in 2018/19 including Farm Aids, General Worker Supervisors and Drivers, etc.

The sub-programme: Heritage co-ordinates the profiling of previously marginalised heritage resources in the province, erects monuments of struggle stalwarts, conducts heritage-related research, develops heritage policies and regulations, monitors the implementation of heritage prescripts, as well as provides effective oversight to the operations of the provincial heritage authority. As mentioned, it is envisaged a new Schedule 3 public entity will be formed, amalgamating Amafa and the Heritage unit. The KZN Amafa and Research Institute is anticipated to be established in 2018/19, once the necessary legislative processes have taken place. The 2018/19 MTEF provides for inflationary increases only in the transfer to Amafa. The department plans to fill one post in this sub-programme, namely Director: Heritage.

Compensation of employees decreases over the MTEF mainly due to the transfer of approximately 14 officials of the Youth Development function to Programme 2. Mitigating this to some extent is that the MTEF caters for the filling of 15 critical vacant posts, for which funds were prioritised within the programme. The growth is 2.6 per cent in 2018/19, negative 2.8 per cent in 2019/20 and 7.5 per cent in 2020/21, and the budget will be reviewed in-year to ensure that carry-through costs are provided for.

Goods and services included funding for the PPC, OSS, OSS Diakonia Council of Churches, as well as various events. Many events are no longer funded and this accounts for the reduction from 2015/16 onward. Although the MTEF starts from a low base, it increases gradually to accommodate service delivery events and campaigns such as OSS, heritage, priority programmes and King's support events, etc.

Transfers and subsidies to: Provinces and municipalities reflects a once-off transfer in 2014/15 to the eThekweni Metro for the construction of the commemoration monument in respect of the arrival of the Indian indentured labourers in South Africa. Unfortunately, this monument has not been completed and unveiled to date and the department is currently reviewing this project.

The transfers to Amafa and the RHT are reflected against *Transfers and subsidies to: Departmental agencies and accounts*, as detailed in Section 7.7.

An amount of R4.226 million against *Transfers and subsidies to: Non-profit institutions* in 2014/15 related to the province's contribution to the construction of the Denis Hurley Centre in Durban.

Transfers and subsidies to: Households provides for staff exit costs. Note that the OTP's external bursaries now reside in the Youth Development function in Programme 2 from 2018/19, but 2017/18 was not able to be restated. There is no provision for staff exit costs over the 2018/19 MTEF.

Buildings and other fixed structures caters for the rehabilitation of the Royal palaces. An amount of R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays that were

experienced with renovations at KwaKhangela Palace. The projects included roof waterproofing at KwaKhangela Palace, the children's houses, *gogos'* hut and servant's quarters. The 2018/19 MTEF provides for the completion of existing projects, such as the Ingwavuma Palace projects and the Royal Household office renovations in Nongoma.

The amounts against *Machinery and equipment* mainly relate to the purchase of departmental vehicles, office furniture and computer equipment for newly appointed and replacement staff. The funding over the 2018/19 MTEF provides for office furniture, computers, as well as vehicles.

Very little expenditure was incurred in 2016/17 against *Heritage assets* as a result of some planned heritage unveilings of monuments and tombstones of past struggle stalwarts not taking place in 2016/17 as anticipated, due to the need to first undertake consultation with relevant stakeholders. The budget over the 2018/19 MTEF includes funding for the construction of walls of remembrance, as well as the building of memorials and tombstones for struggle veterans, as determined by the Premier.

Software and other intangible assets in 2015/16 provided for the purchasing of software licences.

Payments for financial assets relates to losses written-off, as well as the first charge against the DRH, as mentioned earlier, with the final instalment paid in 2016/17.

Service delivery measures: Policy and Governance

Table 1.20 provides information on the service delivery measures pertaining to Programme 3. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.20 : Service delivery measures: Policy and Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Provincial Policy Management					
1.1 Macro policy development and co-ordination					
1.1.1 Policy audit reports	• No. of policy audit reports	2	2	2	2
2. Premier's Priority Programmes					
2.1 PGDP capacity workshops with strategic partnership	• No. of workshops of stakeholders on PGDP Vision 2035	4	4	4	4
2.2 Youth projects co-ordination	• No. of co-ordination reports on projects for youth	4	4	4	4
2.3 Youth forum co-ordination reports	• No. of quarterly monitoring reports on youth forums	4	4	4	4
2.4 Strategic partnership forums	• No. of forum meetings with each sector 1 x NGO, 1 x Business, Labour and Academics 1 x Traditional Authority, 1 x Religious sector	4	4	4	4
3. King's Support and Royal Household					
3.1 Service reports	• Quarterly reports on support services provided to His Majesty and Royal Household	4	4	4	4
4. Heritage					
4.1 Heritage awareness	• No. of community heritage awareness campaigns	8	8	8	8
4.2 Heritage memory infrastructure developed	• No. of monuments or memorials erected	8	8	8	8
4.3 Monitoring reports on Amafa Council performance	• No. of Amafa monitoring reports	4	4	4	4

9. Other programme information

9.1 Personnel numbers and costs

Table 1.21 reflects personnel estimates for the OTP, per programme. The actual permanent personnel increased in 2016/17 (restated to 2014/15) as a result of the fact that the DRH (previously Vote 10) was

amalgamated into Vote 1. As a result, 106 employees were transferred to Vote 1 after all negotiations with stakeholders including labour unions. Also, the Gaming and Betting unit staff were transferred in 2016/17 from Vote 6 to Vote 1 in line with the Premier's Minute No. 2 of 2016. The decrease in personnel in Programme 1 in 2015/16 is offset by the increase in Programme 2, as the department undertook structure changes in an effort to align the financial and organisational structures.

Provision has not been adequately made for the inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent for the two outer years of the MTEF, as well as the 1.5 per cent pay progression, as this category is currently growing by 15.9 per cent, 4.4 per cent and 7.5 per cent over the MTEF. The department plans to fill 56 critical posts on the approved organisational structure in a phased in approach. However, at this stage, the budget does not adequately provide for this increase, particularly in 2019/20 and 2020/21. This will be reviewed in-year and in the next MTEF process.

Table 1.21 : Summary of departmental personnel numbers and costs by component

R thousands	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Filled posts	Add. posts	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
Total	594	209 438	617	233 392	763	256 379	558	68	626	278 724	682	323 028	682	337 088	682	362 512	2.9%	9.2%	100.0%
Programme																			
1. Administration	182	74 941	92	54 836	135	53 049	85	5	90	52 659	113	66 878	113	72 678	113	78 155	7.9%	14.1%	20.8%
2. Institutional Development	197	82 317	234	109 082	341	117 050	249	51	300	129 295	314	156 911	314	167 946	314	180 617	1.5%	11.8%	48.8%
3. Policy and Governance	215	52 180	291	69 474	287	86 285	224	12	236	96 770	255	99 239	255	96 464	255	103 740	2.6%	2.3%	30.4%
Total	594	209 438	617	233 392	763	256 379	558	68	626	278 724	682	323 028	682	337 088	682	362 512	2.9%	9.2%	100.0%
Employee dispensation classification																			
P.S.A. appointees not covered by OSDs	581	204 802	604	228 533	750	246 884	545	68	613	268 114	669	311 516	669	324 908	669	349 662	3.0%	9.3%	96.4%
Legal professionals	13	4 636	13	4 859	13	9 495	13	-	13	10 610	13	11 512	13	12 180	13	12 850	0.0%	6.6%	3.6%
Total	594	209 438	617	233 392	763	256 379	558	68	626	278 724	682	323 028	682	337 088	682	362 512	2.9%	9.2%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

9.2 Training

Table 1.22 reflects payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2014/15 to 2020/21. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department will exceed this target with an average of 2 per cent set aside over the 2018/19 MTEF.

Table 1.22 : Information on training: Office of the Premier

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	594	617	763	626	626	626	682	682	682
Number of personnel trained	254	300	214	276	276	157	276	276	276
of which									
Male	86	120	73	85	85	42	85	85	85
Female	168	180	141	191	191	115	191	191	191
Number of training opportunities	17	-	18	69	69	24	69	69	69
of which									
Tertiary	-	-	-	-	-	-	-	-	-
Workshops	11	-	13	50	50	17	50	50	50
Seminars	6	-	5	19	19	7	19	19	19
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	-	32	14	20	20	15	20	20	21
Number of interns appointed	48	39	43	53	53	53	53	53	56
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	220	-	12	440	290	290	222	372	393
2. Institutional Development	2 410	5 355	3 702	5 366	5 431	2 839	7 056	6 776	7 149
3. Policy and Governance	-	25	198	4 180	3 430	409	1 215	1 203	1 269
Total	2 630	5 380	3 912	9 986	9 151	3 538	8 493	8 351	8 811

ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

Table 1.A : Details of departmental receipts: Office of the Premier

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	538 524	565 890	582 468	586 724	586 724	592 147	600 285	607 660	615 364
Casino taxes	467 319	487 788	502 243	510 227	510 227	510 874	518 570	524 843	531 391
Horse racing taxes	71 205	78 102	80 225	76 497	76 497	81 273	81 715	82 817	83 973
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	174	149	191	258	258	218	273	288	304
Sale of goods and services produced by department (excluding capital assets)	174	149	156	258	258	218	273	288	304
Sales by market establishments	-	-	11	110	110	90	123	138	146
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	174	149	145	148	148	128	150	150	158
Of which									
Commission	102	142	140	140	140	128	140	140	148
Tender documents	6	7	5	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	35	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	23	8	1	1	12	1	1	1
Interest	5	23	8	1	1	12	1	1	1
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	1 143	535	-	311	311	311	535	535	535
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	1 143	535	-	311	311	311	535	535	535
Transactions in financial assets and liabilities	402	423	267	42	42	649	44	47	50
Total	540 248	567 020	582 934	587 336	587 336	593 337	601 138	608 531	616 254

Estimates of Provincial Revenue and Expenditure

Table 1.B : Payments and estimates by economic classification: Office of the Premier

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	599 802	578 430	541 973	609 239	598 151	598 003	648 417	678 381	723 355
Compensation of employees	209 438	233 392	256 384	291 998	279 360	278 724	323 028	337 088	362 512
Salaries and wages	189 434	207 906	228 359	267 899	251 036	249 862	294 904	306 590	330 338
Social contributions	20 004	25 486	28 025	24 099	28 324	28 862	28 124	30 498	32 174
Goods and services	390 364	345 038	285 589	317 241	318 791	319 279	325 389	341 293	360 843
Administrative fees	312	2 689	2 488	5 860	6 335	3 704	3 637	3 779	3 987
Advertising	44 917	64 266	47 573	45 904	50 463	48 482	56 987	56 060	59 145
Minor assets	1 183	1 461	2 661	7 151	6 006	4 979	7 495	7 492	7 906
Audit cost: External	5 940	6 184	3 547	4 668	4 668	4 668	4 690	5 120	5 401
Bursaries: Employees	264	224	233	1 014	764	769	1 022	1 079	1 139
Catering: Departmental activities	26 469	24 810	18 099	13 568	14 470	14 991	13 536	13 794	14 556
Communication (G&S)	9 985	10 292	9 091	12 170	12 379	11 580	9 782	13 591	14 339
Computer services	35 417	29 133	28 727	41 639	38 767	34 526	42 705	46 380	48 931
Cons. and prof. serv.: Business and advisory services	44 893	27 536	17 171	30 146	32 197	22 342	29 314	32 842	34 647
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 746	1 933	6 120	499	2 999	2 999	409	437	461
Contractors	105 473	61 927	40 063	26 109	27 914	60 024	32 975	32 327	34 103
Agency and support / outsourced services	2 553	2 010	3 570	2 240	2 162	1 590	960	890	939
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	4 916	6 728	7 895	8 339	6 919	8 223	7 775	7 926	8 362
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	15	15	15	20	21	22
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	433	-	-	-	-	-	-	-	-
Consumable supplies	1 401	4 311	2 720	3 941	4 075	4 740	6 554	6 352	6 701
Consumable: Stationery, printing and office supplies	5 205	7 736	7 303	9 059	8 960	6 666	8 919	9 508	10 031
Operating leases	9 673	8 573	11 739	21 715	16 377	14 792	20 605	21 600	22 788
Property payments	15 203	12 059	14 153	11 146	14 184	12 945	8 732	10 783	12 150
Transport provided: Departmental activity	18 769	21 294	10 044	10 340	9 340	8 222	13 750	14 575	15 378
Travel and subsistence	32 969	28 168	26 907	38 786	36 836	40 631	36 366	37 326	39 378
Training and development	2 630	5 380	3 912	9 986	9 151	3 538	8 493	8 351	8 811
Operating payments	1 511	213	911	275	630	662	155	176	186
Venues and facilities	18 502	18 111	20 662	12 671	13 180	8 191	10 508	10 884	11 482
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	130 985	113 969	131 518	117 893	140 554	140 616	116 923	124 226	131 059
Provinces and municipalities	4 924	76	136	57	107	102	60	63	66
Provinces	59	76	136	57	107	102	60	63	66
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	59	76	136	57	107	102	60	63	66
Municipalities	4 865	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	4 865	-	-	-	-	-	-	-	-
Departmental agencies and accounts	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 226	-	27	-	-	-	-	-	-
Households	29 248	22 516	35 983	26 201	26 487	26 554	21 909	23 467	24 758
Social benefits	1 144	726	2 308	12	298	455	3	3	3
Other transfers to households	28 104	21 790	33 675	26 189	26 189	26 099	21 906	23 464	24 755
Payments for capital assets	34 369	33 298	31 830	14 993	24 766	24 766	21 797	19 961	20 285
Buildings and other fixed structures	10 049	2 271	16 823	2 034	8 147	8 147	5 729	3 864	3 304
Buildings	10 049	2 271	5 918	1 230	7 343	7 343	5 729	3 864	3 304
Other fixed structures	-	-	10 905	804	804	804	-	-	-
Machinery and equipment	21 895	27 194	14 202	8 297	14 514	14 533	11 249	10 998	11 602
Transport equipment	376	14 775	7 359	2 833	5 833	8 431	3 215	2 561	2 702
Other machinery and equipment	21 519	12 419	6 843	5 464	8 681	6 102	8 034	8 437	8 900
Heritage assets	2 425	3 682	805	4 584	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	151	-	68	50	50	-	-	-
Payments for financial assets	96	2 767	2 240	-	-	86	-	-	-
Total	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	762 752	725 964	705 367	742 125	763 471	763 471	787 137	822 568	874 699

Table 1.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	187 121	90 574	81 165	84 992	89 425	89 424	99 880	112 030	119 675
Compensation of employees	74 941	54 836	53 049	52 662	52 660	52 659	66 878	72 678	78 155
Salaries and wages	71 862	49 693	47 846	48 557	48 413	47 866	62 053	67 348	72 532
Social contributions	3 079	5 143	5 203	4 105	4 247	4 793	4 825	5 330	5 623
Goods and services	112 180	35 738	28 116	32 330	36 765	36 765	33 002	39 352	41 520
Administrative fees	96	637	518	185	334	754	249	275	291
Advertising	253	130	706	362	62	62	196	228	241
Minor assets	547	295	296	1 849	678	678	1 270	982	1 037
Audit cost: External	3 565	5 538	3 547	4 668	4 668	4 668	4 600	5 040	5 317
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	4 523	2 351	1 894	1 527	1 727	1 697	1 230	1 394	1 472
Communication (G&S)	4 047	102	178	213	218	218	210	209	220
Computer services	10 738	5 124	1 600	4 029	1 779	1 529	6 989	9 739	10 275
Cons. and prof. serv.: Business and advisory services	9 725	7 501	1 277	780	10 834	8 881	1 820	3 642	3 843
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 660	2	1 852	-	-	-	-	-	-
Contractors	36 807	1 281	4 746	1 695	754	2 707	1 647	1 742	1 837
Agency and support / outsourced services	957	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	4 014	-	2	-	-	-	80	85	90
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	5	5	5
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	236	243	922	726	756	610	725	724	764
Consumable: Stationery, printing and office supplies	1 488	1 740	1 876	2 549	2 388	1 831	2 355	2 532	2 671
Operating leases	7 702	963	1 057	1 859	1 884	1 733	1 504	1 617	1 706
Property payments	13 617	306	296	960	630	418	727	737	778
Transport provided: Departmental activity	2 167	451	162	170	170	170	170	170	179
Travel and subsistence	8 326	8 922	5 875	10 097	9 372	10 298	8 688	9 503	10 025
Training and development	220	-	12	440	290	290	222	372	393
Operating payments	80	-	122	11	11	11	105	120	127
Venues and facilities	1 412	152	1 178	210	210	210	210	236	249
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Social benefits	102	94	1 552	-	2	65	-	-	-
Other transfers to households	1 623	1 005	934	1 117	1 117	1 055	1 182	1 248	1 317
Payments for capital assets	11 318	1 361	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 318	1 214	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	11 318	1 214	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	147	-	-	-	-	-	-	-
Payments for financial assets	24	26	-	-	-	-	-	-	-
Total	200 188	93 060	84 867	87 280	91 998	91 998	102 326	114 616	122 403

Table 1.D : Payments and estimates by economic classification: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	193 258	283 175	266 097	306 846	296 122	296 117	338 108	355 774	379 549
Compensation of employees	82 317	109 082	117 050	142 641	129 300	129 295	156 911	167 946	180 617
Salaries and wages	73 002	95 621	102 527	128 722	115 031	114 193	140 808	150 545	162 260
Social contributions	9 315	13 461	14 523	13 919	14 269	15 102	16 103	17 401	18 357
Goods and services	110 941	174 093	149 047	164 205	166 822	166 822	181 197	187 828	198 932
Administrative fees	183	599	622	735	851	1 096	882	1 014	1 069
Advertising	38 339	60 503	43 952	41 310	48 401	47 892	52 467	51 697	54 541
Minor assets	582	629	789	3 377	2 922	2 367	3 835	3 901	4 117
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	264	224	233	764	764	760	822	864	912
Catering: Departmental activities	6 782	6 136	5 048	3 304	3 763	3 726	7 809	8 052	8 496
Communication (G&S)	5 735	9 838	8 349	10 415	10 432	9 940	8 303	9 327	9 840
Computer services	9 948	11 973	16 691	24 180	23 254	23 254	18 074	18 222	19 224
Cons. and prof. serv.: Business and advisory services	12 539	7 444	5 096	5 415	5 545	5 045	12 842	13 092	13 811
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	86	1 931	4 268	499	2 999	2 999	389	417	440
Contractors	9 592	14 006	8 364	9 046	7 405	10 239	10 854	11 209	11 825
Agency and support / outsourced services	1 006	794	2 461	1 640	1 590	1 590	760	790	833
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	6 220	6 121	6 169	6 169	7 390	6 895	7 381	7 787
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	15	15	15	15	16	17
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medgas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	433	-	-	-	-	-	-	-	-
Consumable supplies	128	1 918	295	748	856	1 416	749	778	821
Consumable: Stationery, printing and office supplies	2 671	3 985	2 812	3 234	3 400	3 061	3 149	3 516	3 709
Operating leases	1 401	6 935	9 595	18 538	13 295	12 128	17 611	18 506	19 524
Property payments	1 189	11 217	13 583	10 186	11 571	12 397	7 795	10 046	11 372
Transport provided: Departmental activity	2 081	10 816	3 770	3 540	2 540	2 895	5 000	5 300	5 592
Travel and subsistence	13 137	8 209	7 906	13 520	13 206	13 774	14 007	14 550	15 350
Training and development	2 410	5 355	3 702	5 366	5 431	2 839	7 056	6 776	7 149
Operating payments	18	145	96	64	119	119	45	46	48
Venues and facilities	2 417	5 216	5 294	2 140	2 294	1 880	1 838	2 328	2 455
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	66 489	53 712	72 705	42 931	63 354	63 359	63 712	67 932	71 668
Provinces and municipalities	59	76	124	57	107	95	60	63	66
Provinces	59	76	124	57	107	95	60	63	66
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	59	76	124	57	107	95	60	63	66
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	27	-	-	-	-	-	-
Households	27 154	21 238	33 187	3	51	68	20 727	22 219	23 441
Social benefits	673	455	446	3	51	67	3	3	3
Other transfers to households	26 481	20 783	32 741	-	-	1	20 724	22 216	23 438
Payments for capital assets	10 388	19 614	17 292	4 498	10 432	10 432	8 557	6 392	5 971
Buildings and other fixed structures	1 262	-	10 905	804	3 104	3 104	4 747	2 361	1 718
Buildings	1 262	-	10 905	-	2 300	2 300	4 747	2 361	1 718
Other fixed structures	-	-	-	804	804	804	-	-	-
Machinery and equipment	9 126	19 614	6 387	3 626	7 278	7 278	3 810	4 031	4 253
Transport equipment	-	11 368	4 318	1 659	4 659	4 659	2 015	1 755	1 852
Other machinery and equipment	9 126	8 246	2 069	1 967	2 619	2 619	1 795	2 276	2 401
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	68	50	50	-	-	-
Payments for financial assets	38	20	1	-	-	-	-	-	-
Total	270 173	356 521	356 095	354 275	369 908	369 908	410 377	430 098	457 188

Table 1.E : Payments and estimates by economic classification: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	219 423	204 681	194 711	217 401	212 604	212 462	210 429	210 577	224 131
Compensation of employees	52 180	69 474	86 285	96 695	97 400	96 770	99 239	96 464	103 740
Salaries and wages	44 570	62 592	77 986	90 620	87 592	87 803	92 043	88 697	95 546
Social contributions	7 610	6 882	8 299	6 075	9 808	8 967	7 196	7 767	8 194
Goods and services	167 243	135 207	108 426	120 706	115 204	115 692	111 190	114 113	120 391
Administrative fees	33	1 453	1 348	4 940	5 150	1 854	2 506	2 490	2 627
Advertising	6 325	3 633	2 915	4 232	2 000	528	4 324	4 135	4 363
Minor assets	54	537	1 576	1 925	2 406	1 934	2 390	2 609	2 752
Audit cost: External	2 375	646	-	-	-	-	90	80	84
Bursaries: Employees	-	-	-	250	-	9	200	215	227
Catering: Departmental activities	15 164	16 323	11 157	8 737	8 980	9 568	4 497	4 348	4 588
Communication (G&S)	203	352	564	1 542	1 729	1 422	1 269	4 055	4 279
Computer services	14 731	12 036	10 436	13 430	13 734	9 743	17 642	18 419	19 432
Cons. and prof. serv.: Business and advisory services	22 629	12 591	10 798	23 951	15 818	8 416	14 652	16 108	16 993
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	20	20	21
Contractors	59 074	46 640	26 953	15 368	19 755	47 078	20 474	19 376	20 441
Agency and support / outsourced services	590	1 216	1 109	600	572	-	200	100	106
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	902	508	1 772	2 170	750	833	800	460	485
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 037	2 150	1 503	2 467	2 463	2 714	5 080	4 850	5 116
Consumable: Stationery, printing and office supplies	1 046	2 011	2 615	3 276	3 172	1 774	3 415	3 460	3 651
Operating leases	570	675	1 087	1 318	1 198	931	1 490	1 477	1 558
Property payments	397	536	274	-	1 983	130	210	-	-
Transport provided: Departmental activity	14 521	10 027	6 112	6 630	6 630	5 157	8 580	9 105	9 607
Travel and subsistence	11 506	11 037	13 126	15 169	14 258	16 559	13 671	13 273	14 003
Training and development	-	25	198	4 180	3 430	409	1 215	1 203	1 269
Operating payments	1 413	68	693	200	500	532	5	10	11
Venues and facilities	14 673	12 743	14 190	10 321	10 676	6 101	8 460	8 320	8 778
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	62 771	59 158	56 327	73 845	76 081	76 137	52 029	55 046	58 074
Provinces and municipalities	4 865	-	12	-	-	7	-	-	-
Provinces	-	-	12	-	-	7	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	12	-	-	7	-	-	-
Municipalities	4 865	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	4 865	-	-	-	-	-	-	-	-
Departmental agencies and accounts	53 311	58 979	56 005	48 764	50 764	50 764	52 029	55 046	58 074
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	53 311	58 979	56 005	48 764	50 764	50 764	52 029	55 046	58 074
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 226	-	-	-	-	-	-	-	-
Households	369	179	310	25 081	25 317	25 366	-	-	-
Social benefits	369	177	310	9	245	323	-	-	-
Other transfers to households	-	2	-	25 072	25 072	25 043	-	-	-
Payments for capital assets	12 663	12 323	13 322	9 324	12 880	12 880	11 976	12 231	12 903
Buildings and other fixed structures	8 787	2 271	5 918	1 230	5 043	5 043	982	1 503	1 586
Buildings	8 787	2 271	5 918	1 230	5 043	5 043	982	1 503	1 586
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 451	6 366	6 599	3 500	5 782	5 801	6 175	5 629	5 938
Transport equipment	376	3 407	3 041	1 174	1 174	3 772	1 200	806	850
Other machinery and equipment	1 075	2 959	3 558	2 326	4 608	2 029	4 975	4 823	5 088
Heritage assets	2 425	3 682	805	4 594	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	4	-	-	-	-	-	-	-
Payments for financial assets	34	2 721	2 239	-	-	86	-	-	-
Total	294 891	278 883	266 599	300 570	301 565	301 565	274 434	277 854	295 108
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	292 391	276 383	264 405	300 570	301 565	301 565	274 434	277 854	295 108

Table 1.F : Financial summary for Amafa aKwaZulu-Natali (Amafa)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	38 112	38 062	36 681	37 903	36 032	36 032	40 178	42 943	45 971
Sale of goods and services other than capital assets	1 377	1 383	1 513	1 470	1 470	1 470	1 551	1 630	1 711
Entity revenue other than sales	1 557	1 544	1 872	571	571	571	600	630	661
Transfers received	35 149	34 977	33 028	35 672	32 563	32 563	37 835	40 483	43 389
Of which:									
OTP	35 149	34 977	33 028	32 263	32 263	32 263	33 989	35 960	37 938
Reserves	-	-	-	3 409	300	300	3 846	4 523	5 451
Sale of capital assets	29	-	-	-	1 238	1 238	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	158	268	190	190	190	192	200	210
Total revenue	38 112	38 062	36 681	37 903	36 032	36 032	40 178	42 943	45 971
Expenses									
Current expense	36 032	35 765	34 453	37 803	35 932	35 932	40 073	42 833	45 855
Compensation of employees	23 072	25 530	26 227	29 350	28 000	28 000	31 803	33 534	36 101
Goods and services	12 960	10 235	8 226	8 453	7 932	7 932	8 270	9 299	9 754
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	2 228	483	100	100	100	105	110	116
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	36 032	37 993	34 936	37 903	36 032	36 032	40 178	42 943	45 971
Surplus / (Deficit)	2 080	69	1 745	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	(2 080)	(69)	(1 745)	-	-	-	-	-	-
Of which:									
Reserves	(2 080)	(69)	(1 745)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

Table 1.G : Personnel summary for Amafa

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	588	230	-	200	-	-	200	200	200
Personnel numbers (head count)	10	9	-	12	-	-	12	12	12
Unit cost	59	26	-	17	-	-	17	17	17
Executive management									
Personnel cost (R thousand)	3 094	854	935	1 053	-	-	1 140	1 235	1 337
of which:									
Chief Financial Officer	758	854	922	1 053	1 053	1 053	1 140	1 235	1 337
Chief Executive Officer	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	4	1	1	1	1	1	1	1	1
Unit cost	774	854	935	1 053	-	-	1 140	1 235	1 337
Senior management									
Personnel cost (R thousand)	-	2 480	2 692	3 031	2 997	2 997	3 283	3 555	3 850
Personnel numbers (head count)	-	3	3	3	3	3	3	3	3
Unit cost	-	827	897	1 010	999	999	1 094	1 185	1 283
Middle management									
Personnel cost (R thousand)	5 648	6 880	6 981	7 864	7 601	7 601	8 517	8 299	8 755
Personnel numbers (head count)	20	16	14	16	15	15	16	16	16
Unit cost	282	430	499	492	507	507	532	519	547
Professionals									
Personnel cost (R thousand)	-	9 858	9 958	11 212	11 212	11 212	12 142	13 150	14 241
Personnel numbers (head count)	-	44	42	44	44	44	44	44	44
Unit cost	-	224	237	255	255	255	276	299	324
Semi-skilled									
Personnel cost (R thousand)	14 330	3 344	3 444	3 878	3 878	3 878	4 200	4 549	4 927
Personnel numbers (head count)	77	18	17	19	18	18	18	18	18
Unit cost	186	186	203	204	215	215	233	253	274
Very low skilled									
Personnel cost (R thousand)	-	2 114	2 217	2 312	2 312	2 312	2 521	2 746	2 991
Personnel numbers (head count)	-	18	17	18	18	18	18	18	18
Unit cost	-	117	130	128	128	128	140	153	166
Total for entity									
Personnel cost (R thousand)*	23 660	25 760	26 227	29 550	28 000	28 000	32 003	33 734	36 301
Personnel numbers (head count)	111	109	94	113	99	99	112	112	112
Unit cost	213	236	279	262	283	283	286	301	324

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 1.H : Financial summary for Royal Household Trust (RHT)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	18 338	24 201	23 186	16 695	18 695	18 695	18 237	19 292	20 346
Sale of goods and services other than capital assets	-	-	-	-	-	-	-	-	-
Entity revenue other than sales	151	199	209	194	194	194	197	206	210
Transfers received	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Of which:									
OTP	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	25	-	-	-	-	-	-	-	-
Total revenue	18 338	24 201	23 186	16 695	18 695	18 695	18 237	19 292	20 346
Expenses									
Current expense	17 480	16 890	23 394	16 681	18 680	18 680	18 217	19 270	20 321
Compensation of employees	3 862	3 603	4 183	4 439	4 439	4 439	4 661	4 894	5 139
Goods and services	13 613	13 287	19 211	12 242	14 241	14 241	13 556	14 376	15 182
Interest on rent and land	5	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 534	380	82	14	14	14	20	22	25
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	21 014	17 270	23 476	16 695	18 694	18 694	18 237	19 292	20 346
Surplus / (Deficit)	(2 677)	6 931	(290)	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	2 677	(6 932)	290	-	-	-	-	-	-
Of which:									
Trade and other payables	2 677	(6 932)	290	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

Table 1.I : Personnel summary for RHT

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	230	138	83	126	126	126	136	144	152
Personnel numbers (head count)	7	7	7	7	7	7	7	7	7
Unit cost	33	20	12	18	18	18	19	21	22
Executive management									
Personnel cost (R thousand)	970	1 042	1 083	1 150	1 150	1 150	1 207	1 267	1 331
of which:									
Chief Financial Officer	970	1 042	1 083	1 150	1 150	1 150	1 207	1 267	1 331
Chief Executive Officer	178	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	1	1	1	1	1	1
Unit cost	-	-	-	1 150	1 150	1 150	1 207	1 267	1 331
Senior management									
Personnel cost (R thousand)	812	654	897	952	952	952	999	1 049	1 102
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	812	654	897	952	952	952	999	1 049	1 102
Middle management									
Personnel cost (R thousand)	686	659	790	839	839	839	880	924	971
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	686	659	790	839	839	839	880	924	971
Professionals									
Personnel cost (R thousand)	800	776	833	884	884	884	928	974	1 023
Personnel numbers (head count)	2	2	2	2	2	2	2	2	2
Unit cost	400	388	417	442	442	442	464	487	512
Semi-skilled									
Personnel cost (R thousand)	543	472	508	538	538	538	567	596	623
Personnel numbers (head count)	3	3	3	3	3	3	3	3	3
Unit cost	181	157	169	179	179	179	189	199	208
Very low skilled									
Personnel cost (R thousand)	51	-	72	76	76	76	80	84	89
Personnel numbers (head count)	1	-	1	1	1	1	1	1	1
Unit cost	51	-	72	76	76	76	80	84	89
Total for entity									
Personnel cost (R thousand)*	4 092	3 741	4 266	4 565	4 565	4 565	4 797	5 038	5 291
Personnel numbers (head count)	15	14	15	16	16	16	16	16	16
Unit cost	273	267	284	285	285	285	300	315	331

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 1.J : Financial summary for KwaZulu-Natal Gaming and Betting Board (KZNGBB)

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
R thousand									
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	65 996	58 955	65 369	66 161	98 062	98 062	82 467	87 104	90 112
Sale of goods and services other than capital assets	23 818	23 726	22 354	20 414	20 414	20 414	27 082	28 436	29 883
Entirety revenue other than sales	2 895	2 831	3 618	2 876	2 876	2 876	4 138	4 000	4 000
Transfers received	39 276	32 398	39 367	42 871	74 772	74 772	42 925	45 650	48 161
Of which:									
OTP	39 276	32 398	39 367	42 871	43 163	43 163	42 925	45 650	48 161
Building fund	-	-	-	-	20 033	20 033	-	-	-
Transfer shortfall: PT	-	-	-	-	1 025	1 025	-	-	-
Roll-over: OTP	-	-	-	-	10 551	10 551	-	-	-
Sale of capital assets	7	-	30	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	8 322	9 018	8 068
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	65 996	58 955	65 369	66 161	98 062	98 062	82 467	87 104	90 112
Expenses									
Current expense	53 174	54 630	56 177	66 161	77 477	74 116	81 767	85 579	89 412
Compensation of employees	33 589	38 618	41 198	51 604	50 900	49 264	55 893	60 398	65 264
Goods and services	19 585	16 012	14 979	14 557	26 577	24 852	25 874	25 181	24 148
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 308	3 390	4 822	-	552	560	700	1 525	700
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	54 482	58 020	60 999	66 161	78 029	74 676	82 467	87 104	90 112
Surplus / (Deficit)*	11 514	935	4 370	-	20 033	23 386	-	-	-
Adjustments for Surplus / (Deficit)	(11 514)	(935)	(4 370)	-	(20 033)	(23 386)	-	-	-
Of which:									
Building fund	-	-	-	-	(20 033)	(20 033)	-	-	-
Accommodation setup costs	-	-	-	-	-	(3 353)	-	-	-
Accumulated reserves	(11 514)	(935)	(4 370)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: The Surplus / (Deficit) relates to the accounting treatment of capital and other non-cash expense items

Table 1.K : Personnel summary for KZNGBB

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	2 753	3 415	3 345	3 148	3 148	3 558	3 148	3 148	3 148
Personnel numbers (head count)	9	9	9	9	9	9	9	9	9
Unit cost	306	379	372	350	350	395	350	350	350
Executive management									
Personnel cost (R thousand)	-	1 558	8 178	8 975	9 526	9 526	10 293	11 120	12 015
of which									
Chief Financial Officer	-	-	-	-	-	-	1 616	1 746	1 886
Chief Executive Officer	-	1 558	1 662	1 914	1 742	1 742	2 314	2 497	2 698
Personnel numbers (head count)	-	1	7	7	7	7	7	7	7
Unit cost	-	1 558	1 168	1 282	1 361	1 361	1 470	1 589	1 716
Senior management									
Personnel cost (R thousand)	-	5 738	6 522	7 378	7 378	7 378	7 971	8 612	9 305
Personnel numbers (head count)	-	6	6	6	6	6	6	6	6
Unit cost	-	956	1 087	1 230	1 230	1 230	1 329	1 435	1 551
Middle management									
Personnel cost (R thousand)	-	7 338	7 771	9 039	10 001	9 351	10 807	11 678	12 619
Personnel numbers (head count)	-	11	11	11	11	10	11	11	11
Unit cost	-	667	706	822	909	935	982	1 062	1 147
Professionals									
Personnel cost (R thousand)	-	21 601	22 429	28 310	28 581	26 542	30 893	33 394	36 100
Personnel numbers (head count)	-	44	47	52	55	48	55	55	55
Unit cost	-	491	477	544	520	553	562	607	656
Semi-skilled									
Personnel cost (R thousand)	-	2 266	2 469	2 813	3 213	2 793	3 477	3 762	4 071
Personnel numbers (head count)	-	9	9	9	11	10	11	11	11
Unit cost	-	252	274	313	292	279	316	342	370
Very low skilled									
Personnel cost (R thousand)	-	117	128	147	179	179	194	210	228
Personnel numbers (head count)	-	1	1	1	1	1	1	1	1
Unit cost	-	117	128	147	179	179	194	210	228
Total for entity									
Personnel cost (R thousand)*	36 342	42 033	50 842	59 810	62 026	59 327	66 783	71 924	77 486
Personnel numbers (head count)	9	81	90	95	100	91	100	100	100
Unit cost	4 038	519	565	630	620	652	668	719	775

*Note: The difference between the Personnel cost and Compensation of employees from 2016/17 onward relates to personnel related payments, e.g. cellphone allowances, etc. The detailed personnel summary for 2014/15 is not available. Board costs are paid from Goods and services

VOTE 2

Provincial Legislature

Operational budget	R474 963 000
Statutory amount (Members' remuneration)	R 90 251 000
Of which: Remuneration of Speaker and Deputy Speaker	R 3 565 000
Total budget	R565 214 000
Total to be appropriated (excl. Members' remuneration)	R474 963 000
Responsible MEC	Speaker of the Provincial Legislature
Administering department	Provincial Legislature
Accounting officer	Secretary: Provincial Legislature

1. Overview

Vision

The vision of the Provincial Legislature (hereafter referred to as the Legislature) is: *To be an activist, people-centred Legislature.*

Mission statement

The Legislature's mission statement is: *To deepen democracy and entrench activism in KZN through robust oversight, effective public participation and efficient law-making.*

Strategic objectives

Strategic policy direction: By focussing on its oversight role and by encouraging public participation, the Legislature seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: access to quality education and health care, prevention of crime and eradication of corruption, creation of decent work and expansion of work opportunities, and agrarian reform and rural development.

Law-making

To be an effective, efficient and visible law-maker through:

- Improved technical capacity on law-making by the Legislature.
- Constitutionally compliant laws enacted by the Legislature.

Oversight

To ensure effective execution of oversight on service delivery, governance and implementation of laws (and conventions) by the Provincial Executive Council through:

- Improved oversight on compliance and accountability by provincial organs of state in terms of relevant legislative prescripts and protocols.
- Improved oversight on service delivery targets set in the NDP, PGDP and MTSF and on the achievement of government outcomes.
- Acceleration of economic transformation in the province.

Public participation

To ensure enhanced public participation in all legislative processes of the Legislature through:

- Improved citizen engagement and participation in the legislative processes.
- Improved public and civic education programmes to empower the citizens of KZN.

Governance and leadership

To ensure improved leadership and governance of the Legislature through:

- Improved institutional performance, efficiencies, communication and transformation.
- Improved institutional fiscal discipline and implementation of financial and supply chain prescripts.
- Improved corporate and human capital management services.
- Improved institutional internal controls and governance practices.
- Improved intergovernmental and international relations.

Core functions

In order to achieve the above strategic objectives, the Legislature is responsible for carrying out the following core functions:

- To maintain the highest standards in drafting, amending and passing legislation.
- To timeously consider, pass, amend or reject legislation referred to the Legislature by the Provincial Executive Council or the National Council of Provinces (NCOP).
- To maintain oversight over the provincial executive authority in the province, including the implementation of legislation.

Legislative mandates

The following mandates clearly define the duties and the requirements of the Legislature:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2002)
- State Information Technology Agency Act (Act No. 38 of 2002)
- KZN Petitions Act (Act No. 3 of 2004)
- KZN Funding of Political Parties' Act (Act No. 7 of 2008)
- Financial Management of Parliament Act (Act No. 9 of 2009)
- Financial Management of Parliament Amendment Act (Act No. 34 of 2014)
- Financial Management of Parliament and Provincial Legislatures Act (Act No. 10 of 2009)

It is noted that provincial legislatures are no longer governed by the Public Finance Management Act (PFMA) (Act No. 1 of 1999, as amended) and Treasury Regulations. These have been replaced by the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), the implementation of which was phased in with effect from 1 April 2015. This is commented on in further detail in Section 2.

In addition to the above, the Legislature's functions are governed by the Standing Rules and the resolutions of the Standing Committee on Oversight (STACOV), which was constituted in line with the new legislation, and replaces the Legislature Executive Committee (LexCo).

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the Legislature, as well as providing a brief discussion on challenges and new developments.

Financial Management of Parliament and Provincial Legislatures Act (FMPPLA)

As anticipated, the full implementation of the FMPPLA has taken some time, especially in the absence of guidelines such as the Treasury Regulations that assist provincial departments and public entities with implementing the PFMA. As such, the FMPPLA continued to be implemented in 2017/18, and Treasury Regulations were applied as a guideline in cases where gaps were identified in respect of budgeting and expenditure control. To address such gaps, the development of a budget management policy that includes virement guidelines, among others, was undertaken and is expected to be finalised by the end of 2017/18.

One of the focus areas in 2017/18 was compiling the Legislature's unaudited and audited AFS on an accrual basis, in line with the requirements of the FMPPLA and the recommendation from the A-G's office. At the same time, the Legislature still complied with the requirements of National Treasury, and compiled the monthly IYMs, including the unaudited and audited IYMs, on a cash basis.

The tender for a new bank account for the Legislature was awarded to Standard Bank in November 2017, and therefore the banking functions that were previously performed by Provincial Treasury became the Legislature's responsibility from 1 January 2018.

Cost-containment

The Legislature continued to place emphasis on the effective management of budget and spending, taking into account fiscal consolidation. While the Legislature is not bound by Provincial Executive Council decisions, it continued with its efforts to scale down on certain spending items and adhere as far as possible to the cost-cutting measures as reissued by Provincial Treasury in 2017/18, in conjunction with National Treasury cost-containment measures. The Legislature adapted the cost-cutting measures to take into account its core functions of oversight and public participation. Areas of cost-cutting included limiting attendance of non-Legislature events, limiting monthly mileage of staff and Members, limiting and controlling overtime, etc.

Public participation

Public involvement initiatives like Taking Legislature to the People (TLTP) and sector parliaments continued in 2017/18, although the two sector parliaments, i.e. People's Assembly and Learners' Parliament, were put on hold until further directive from the Office of the Speaker. The following public participation events were held in 2017/18:

- Workers' Parliament in iLembe District Municipality.
- Youth Parliament in King Cetshwayo District Municipality.
- Women's Parliament in Zululand District Municipality.
- Senior Citizens' Parliament in Ugu District Municipality.
- People with Disability Parliament in eThekweni.
- TLTP event in uMgungundlovu District Municipality. It was decided to hold feedback sessions through the oversight committees, rather than proceed with the planned second TLTP event.
- Interfaith Symposium in Zululand District Municipality.

Organisational structure

The Legislature embarked on a restructuring and job evaluation exercise in the third quarter of 2016/17, aimed at achieving an updated organisational structure that is aligned to the current institutional strategic plan and that will ensure that the Legislature has sufficient capacity to implement the new legislation applicable to provincial legislatures, the various SAP modules, the sector oversight model, increased research support, as well as strengthened Hansard services. The aim was not to expand the organisational structure, but to improve productivity and enhance business efficiencies by re-aligning functions and ensuring fair distribution of workloads. This exercise was anticipated to be finalised in the first quarter of 2017/18. However, the consultation process between the employees and the employer took longer than anticipated, and it is now envisaged that it will only be finalised at the end of 2017/18. A decision was taken that no posts should be filled, pending finalisation of the exercise.

Audio-visual project in respect of the Legislature's main chamber

Phase two of the audio-visual project in the main chamber commenced in 2017/18, at an estimated cost of

R13 million. Phase two focussed on the introduction of a new audio system to manage the use of microphones, interpretation, voting, messaging, Hansard recording, media and document retrieval. Phase two included touch screens on the desks of the Speaker, Members, table officers and the control room. The touch screens provide a graphical representation of the seating layout of the chamber. Any request to speak by a Member initiates an alert icon on the touch screens, and the requests are then listed in order of receipt, with the name and political party identification, to facilitate proceedings in the chamber.

The audio-visual equipment, including servers, was procured in 2017/18, but was only delivered in January 2018. This project is anticipated to be completed in March 2018.

Revamping of the Legislature buildings

The Law Society building in the Legislature complex was damaged by fire in 2014/15. In 2015/16, the Legislature received a once-off amount of R1.500 million, based on an assessment by the DOPW to renovate this building. This project did not commence in 2015/16, as the revised estimate of R6 million from DOPW was far higher than the original estimate. In 2016/17, Provincial Treasury's infrastructure unit undertook to investigate the reason for the price escalation. It was determined that DOPW's original estimate was incorrectly under-stated and omitted basic costs such as professional fees, Amafa requirements, inaccessibility of the building site, etc. As a result, the revised estimate was considered to be reasonable, and STACOV approval was granted to proceed with the renovations at this higher cost. Taking into account lengthy tender processes, the site handover was finally undertaken on 1 November 2017, construction work commenced on 8 November 2017 and the renovations are on track. The project will extend over a period of 10 months and is therefore planned to be completed by 31 August 2018, depending on days lost due to rain delays, etc.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the Legislature is hoping to achieve, as well as briefly looking at challenges and proposed new developments. The bulk of the Legislature's budget relates to the areas of law-making and oversight, as well as public participation. The Legislature will continue to improve its oversight over, among others, departments and public entities during the year. Also, the Legislature will continue to focus on procedures and processes that need to be reviewed and/or changed to achieve full implementation of the FMPPLA. The build-up to the 2019 general elections, which are scheduled to be held in the first few months of 2019/20, is also likely to have some impact on the Legislature's programmes and spending patterns, especially in the second half of 2018/19.

Financial Management of Parliament and Provincial Legislatures Act (FMPPLA)

As mentioned, legislatures should be compliant with the FMPPLA as from 1 April 2018. It is anticipated that the budget management policy, including virement guidelines, etc., will be finalised and ready for implementation in early 2018/19. This will ensure that gaps that were identified in respect of budgeting and expenditure control are addressed. The filling of critical vacant posts is likely to take time, though, taking into account the ongoing restructuring and job evaluation exercise. As a result, several units that need to be established in terms of the FMPPLA are not yet capacitated, such as the Internal Audit unit. However, the Internal Audit function will be outsourced to consultants, until vacant posts can be filled.

It is noted also that most provinces are in agreement that the budget allocation of provincial legislatures should be top-sliced from the provincial equitable share and elevated to National Government level, as this will ensure the autonomy of provincial legislatures when compared to the other provincial departments, and will be in line with the concepts of the FMPPLA. This issue of top-slicing will continue to be discussed with the various role-players, including National Treasury and the Speakers' Forum.

Public participation

Public involvement initiatives like TLTP and sector parliaments will continue in 2018/19. The following public participation events are thus scheduled to be held in 2018/19, although the venues will only be confirmed in April 2018:

- Workers' Parliament.
- Youth Parliament.

- Women's Parliament.
- Senior Citizens' Parliament.
- People with Disability Parliament.
- Two TLTP events.
- Interfaith Symposium.

The Legislature is continually striving to increase stakeholder involvement in line with the constitutional mandate of facilitating public involvement in the legislative and other processes of the Legislature. In 2018/19, departments will be invited to a stakeholder summit to present their respective APPs which identify the performance indicators and targets that departments seek to achieve in the upcoming budget year. The public will also be engaged in the presentation of the APPs. The committees will provide oversight to ensure that the Executive delivers high quality services in line with the targets of the APPs.

Organisational structure

As mentioned, the restructuring and job evaluation exercise is anticipated to be finalised at the end of 2017/18. It is estimated that there will be a once-off cost of R8.100 million for the upgrading of posts (including notch adjustment and level progression) taking into account the preliminary findings of the exercise. The Legislature provided funds for this once-off cost in the 2017/18 Adjustments Estimate and, if the exercise is not finalised by year-end, these unspent funds will be allocated back to the Legislature in the 2018/19 Adjustments Estimate for this purpose. As mentioned, no posts will be filled, pending finalisation of the exercise. As such, the *Compensation of employees*' budget for the Legislature staff will need to be reviewed in-year and over the MTEF, once the exercise is completed and implemented.

Revamping of the Legislature buildings

As mentioned, following approval by STACOV to proceed with the Law Society building renovations, the project commenced in November 2017. The Legislature provided funds for the project in the 2017/18 Adjustments Estimate. However, the project is scheduled to extend over 10 months and is therefore planned to be completed in 2018/19. As such, any unspent funds will be allocated back to the Legislature in the 2018/19 Adjustments Estimate for this project.

4. Reprioritisation

The Legislature undertook a comprehensive review of the budget and spending of various components in order to fund several priority areas. The net result of the extensive reprioritisation is as follows:

- In 2015, approval of the Provincial Executive Council was obtained by the Legislature to lift the capping of the Political Parties' Fund (PPF), which was set at R30 million per annum. Accordingly, the Legislature reprioritised R5 million in each year of the 2017/18 MTEF to increase the PPF transfer to R35 million per annum. A further R5 million is now reprioritised in each year of the 2018/19 MTEF, increasing the PPF to R40 million per annum. These funds were reprioritised under Programme 2, largely from the Members' remuneration (from both *Compensation of employees* and *Goods and services*). The reprioritisation was possible because the Members' annual salary increase for 2017/18 was lower than budgeted, at 4 per cent. Also, the telephone allowances of Members were over-budgeted for in 2017/18 and over the MTEF, based on prior year and in-year spending.
- R5 million was reprioritised from Programme 1 in 2018/19 only, largely by reducing costs relating to public participation events. These funds were moved to Programme 2 to increase the secretarial allowance which was under-budgeted for.

5. Procurement

The Legislature will continue to strengthen SCM through providing continuous training on SAP, the revised Preferential Procurement Regulations 2017 and on re-training general SCM compliance requirements. A key focus area is to improve procurement processes through implementation of a service delivery improvement approach that seeks to educate and enhance awareness. The major procurement to be undertaken in 2018/19 will be the continuation of the Law Society building renovations.

6. Receipts and financing

6.1 Summary of receipts and departmental receipts collection

Table 2.1 shows the sources of funding and own receipts of Vote 2 over the seven-year period 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments. Details of departmental receipts are presented in *Annexure – Vote 2: Provincial Legislature*.

Table 2.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Treasury funding									
Equitable share	436 628	455 259	481 842	503 065	503 065	503 065	532 089	565 735	639 841
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts: Treasury funding	436 628	455 259	481 842	503 065	503 065	503 065	532 089	565 735	639 841
Departmental receipts									
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	69	65	63	57	57	63	60	63	66
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 610	3 273	6 859	478	478	3 785	506	534	563
Sale of capital assets	486	-	679	-	-	26	-	-	-
Transactions in financial assets and liabilities	785	-	2	278	278	69	294	310	327
Total departmental receipts	2 950	3 338	7 603	813	813	3 943	860	907	956
Total receipts	439 578	458 597	489 445	503 878	503 878	507 008	532 949	566 642	640 797
Total payments	476 027	436 137	475 374	535 300	617 808	617 808	565 214	600 520	640 797
Surplus/(Deficit) before financing	(36 449)	22 460	14 071	(31 422)	(113 930)	(110 800)	(32 265)	(33 878)	-
Financing									
of which									
Surplus own revenue surrendered	(2 247)	(2 603)	(6 829)	-	-	-	-	-	-
Surplus own revenue from prior year	263	2 247	2 603	-	6 829	6 829	-	-	-
Provincial cash resources	45 996	21 021	71 112	31 422	107 101	107 101	32 265	33 878	-
Surplus/(Deficit) after financing	7 563	43 125	80 957	-	-	3 130	-	-	-

Summary of departmental receipts

The Legislature collects revenue in the form of interest earned on positive cash balances in the bank against *Interest, dividends and rent on land*, commission on insurance, waste paper in respect of *Sale of goods and services other than capital assets*, as well as recoveries of debts and other miscellaneous items reflected against *Transactions in financial assets and liabilities*.

The PFMA and the FMPPLA both provide for provincial legislatures to retain any monies received (i.e. revenue collected). Therefore, in contrast to provincial departments, the Legislature retains its own departmental receipts, and is thus funded from two sources, namely Treasury funding (equitable share) and departmental receipts. In accordance with this legislation, the Legislature is allocated any surplus revenue collected in the prior year during the next year's Adjustments Estimate. This explains the *Surplus own revenue surrendered* and *Surplus own revenue from prior year* in the *Financing* section in Table 2.1.

The *Surplus own revenue from prior year* reflected in 2014/15 is far lower than the *Surplus own revenue surrendered* in 2013/14 (not shown in the table). The reason for this is that the revenue collected in 2013/14 included an amount of R2.998 million, being interest relating to the PPF. This amount was allocated back to the Legislature in the 2013/14 Adjustments Estimate to increase the PPF allocation in that year, and is therefore excluded from *Surplus own revenue from prior year* in 2014/15.

Sale of goods and services other than capital assets includes revenue from the sale of old printer cartridges and waste paper, and commission on pay-roll deductions such as insurance and garnishees. This is difficult to predict, hence the slightly fluctuating trend and conservative growth over the MTEF.

With regard to *Interest, dividends and rent on land*, the revenue reflected in the prior years, particularly 2015/16 and 2016/17, and again in the 2017/18 Revised Estimate is high, largely due to the Legislature's under-spending in prior years. In line with the PFMA and the FMPPLA, any unspent amount must be allocated back to the Legislature in the Adjustments Estimate process in the ensuing year, and therefore

these unspent funds were not paid back to the Provincial Revenue Fund. This resulted in more cash in the Legislature's bank account than anticipated, accounting for the high interest collected in the prior years and in the 2017/18 Revised Estimate. This category reflects conservative growth over the MTEF, because it is difficult to predict the cash in the Legislature's bank account.

Revenue collected against *Sale of capital assets* in 2014/15 and 2016/17 relates to auction sales of redundant assets (vehicles and/or office equipment). Such auction sales are difficult to predict, and hence no revenue budget is provided for this category in 2017/18 and over the 2018/19 MTEF, at this stage.

Revenue from *Transactions in financial assets and liabilities* is difficult to accurately estimate, as it relates to the collection of amounts owing from previous financial years, such as debts relating to both staff and Members, and this accounts for the fluctuating trend.

Summary of receipts and financing

Table 2.1 also compares total receipts and payments.

In 2014/15, the Legislature received once-off provincial cash resources which resulted in a net increase of R45.996 million as follows:

- R27.855 million was allocated in respect of the special allowance to Members whose tenure of office was affected by the 2014 general elections, but only R8.628 million was required for this purpose. During the Adjustments Estimate, approval was granted for R8.753 million to be utilised to offset in-year spending pressures in the operational budget, meaning that only R17.381 million of the R27.855 million was allocated in 2014/15. The balance of R10.474 million was redirected as follows:
 - R974 000 was suspended to Vote 6: Provincial Treasury for the payment of the former MEC for Finance's exit package after the 2014 general elections.
 - R9.500 million was suspended from 2014/15 and was reallocated back in 2015/16 for strengthening oversight and IT infrastructure.
 - R7 million was allocated for observing and monitoring the 2014 general elections, but only R2.966 million was required for this purpose. The balance of R4.034 million was redirected to offset in-year spending pressures.
- R5 million was given for the revived feasibility study for the proposed new Legislature complex.
- R14 million was allocated for the Hansard project.
- R4.955 million, being Members' remuneration funding that was unspent in 2013/14, was allocated back to increase the operational budget, as follows:
 - R2.998 million was allocated to increase the transfer to the PPF in 2014/15. This amount was appropriated back to the Legislature in 2013/14 to increase the transfer to the PPF, but was inadvertently not transferred to the PPF, and this adjustment was to correct that oversight.
 - R1.957 million was allocated to offset in-year spending pressures in the operational budget.
- R2.340 million was deducted relating to previous years' irregular expenditure.

The Legislature's budget was under-spent by R7.563 million in 2014/15. The Members' remuneration was under-spent by R4.147 million due to over-provision in the baseline, and the operational budget was under-spent by R3.416 million. However, if one takes into account that funds that were specifically and exclusively appropriated for the Hansard project and the Legislature complex feasibility study were not spent on those projects, then the operational budget was over-spent by some R19 million, as follows:

- Consultants and professional services costs relating to SAP.
- Contractors, as a result of late invoicing from DOPW in respect of 2013/14 projects such as the Tatham Art Gallery parking for Members.
- High audit costs, as the 2013/14 audit took longer than anticipated due to the change-over to SAP.
- Higher than budgeted costs in respect of security and cleaning services, water and electricity.

In 2015/16, the Legislature received provincial cash resources of R21.021 million, as follows:

- R9.500 million, which was suspended from 2014/15, was allocated back in 2015/16 for strengthening oversight and IT infrastructure.
- R7.563 million was allocated back in respect of the operational budget and Members' remuneration funding that was unspent in 2014/15.
- R2.112 million was given for the above-budget 2015 wage adjustment for the Legislature staff.
- R1.500 million was allocated for the Law Society building renovations.
- R346 000 was allocated to assist the Legislature to implement a long service recognition policy.

The 2015/16 AFS was accrual-based, in line with the A-G's recommendation, and reflected a surplus of R34.279 million. However, the audited IYM was compiled on a cash basis, in line with National Treasury's requirements, and was under-spent by R43.125 million. The Members' remuneration was over-spent by R2.883 million. The operational budget was under-spent by R46.008 million as follows:

- Advertising, catering, travel and subsistence and venues and facilities costs were under-spent, mainly because several events were held late in the year, such as the official opening of the Legislature.
- There was under-spending in respect of the purchase of minor assets and stationery, printing and office supplies, where orders were placed but goods were not delivered by year-end.
- Consultants and professional services were under-spent, largely due to the Legislature withholding a payment to the SAP consultants, pending verification of the services delivered.
- The Hansard project and the Law Society building renovations did not proceed, as anticipated.

In 2016/17, the Legislature received provincial cash resources of R71.112 million as follows:

- R30.536 million with carry-through was allocated as a zero-based budget baseline adjustment.
- R1.500 million was allocated for the replacement of a lift in the Legislature building.
- R4 million was given to host a Commonwealth Parliamentary Association (CPA) conference in KZN.
- R743 000 was allocated for the above-budget 2016 wage adjustment for the Legislature staff.
- R34.944 million was allocated back to the Legislature in line with legislation that provides for provincial legislatures to retain any surplus funds. The composition of this amount was as follows:
 - Although the net under-spending in 2015/16 was R43.125 million, there was over-spending of R2.883 million against the Members' remuneration. As the Members' remuneration is a direct charge on the Provincial Revenue Fund, it is excluded when determining the year-end position. As such, the unspent operational amount of R46.008 million from 2015/16 was allocated back.
 - However, of this amount, R11.064 million was set aside to possibly provide for the Legislature's unauthorised expenditure relating to 2013/14. The authorisation of this unauthorised expenditure was not addressed in prior years because there was uncertainty surrounding the roles and responsibilities of Provincial Treasury and the Legislature, as well as SCOPA and the newly constituted STACOV in terms of the FMPPLA. This amount was authorised by STACOV on 28 September 2016, and the Legislature and Provincial Treasury are in discussion with the A-G's office regarding the accounting treatment of this amount. Pending the outcome of this discussion, the R11.064 million remains in the Legislature's bank account, and is not included in the budget.
- There was a reduction of R611 000 due to the 2 per cent cut effected against the additional funds given to the Legislature with regard to the zero-based budget exercise, as explained in Section 7.2.

The 2016/17 AFS was accrual-based, in line with the A-G's recommendation, and reflected a surplus of R31.295 million. However, the audited IYM was compiled on a cash basis, in line with National Treasury's requirements, and reflected significant under-spending of R80.957 million. The Members' remuneration was under-spent by R5.278 million, largely relating to the fact that public office bearers received a zero per cent salary adjustment in 2016/17. The operational budget was under-spent by R75.679 million as follows:

- The Legislature took a decision not to fill vacant budgeted posts in 2016/17 pending the finalisation of the restructuring and job evaluation exercise.

- Orders were placed for various projects but invoices were not received in time for payment by year-end. Also, four planned overseas study tours were postponed because the countries earmarked for visiting could not confirm the respective venues and availability. In addition, the Legislature's activities were scaled down to accommodate the 2016 local government elections.
- STACOV approval was only obtained in February 2017 for the Law Society building renovations.

In the 2017/18 Main Appropriation, the Legislature received provincial cash resources of R31.422 million, being the carry-through of the zero-based budget baseline adjustment (including the 2 per cent cut effected against this adjustment). In the 2017/18 Adjustments Estimate, a further R75.679 million was allocated back in line with legislation that provides for provincial legislatures to retain any surplus funds. Although the 2016/17 under-spending was R80.957 million, the operational budget was under-spent by R75.679 million, and the Members' remuneration was under-spent by R5.278 million. Any unspent statutory funding should be returned to the Provincial Revenue Fund. As such, only the unspent operational amount of R75.679 million was allocated back largely for the following:

- R8.100 million for the once-off cost of the upgrading of posts (i.e. notch adjustment and level progression) in line with the restructuring and job evaluation exercise, as mentioned.
- R2 million for spending pressures relating to social contributions, partly due to higher than budgeted medical aid contributions.
- R17.619 million for various current projects, such as the SAP system and ICT strategy reviews, the implementation and roll-out of the SAP governance and risk module, contractors' costs relating to phase two of the audio-visual project, various security related projects, etc.
- R6.460 million for the renovation of the Law Society building, as mentioned.
- R27.500 million for several capital projects, such as the capital aspects of phase two of the audio-visual project, the cafeteria project, the replacement of lifts in both the Legislature and administration buildings, as well as the upgrading of the Legislature's server, entire server station and network infrastructure to accommodate the full implementation of the SAP system.
- R14 million for outstanding 2016/17 commitments in respect of communication costs, venues and facilities costs, as well as overseas study tours which were postponed in 2016/17 or were scaled down in order to accommodate the 2016 local government elections.

The Legislature is anticipating a balanced budget in 2017/18, based on the December IYM. The surplus of R3.130 million in the 2017/18 Revised Estimate in Table 2.1 relates to a projected over-collection in respect of departmental receipts, largely from *Interest, dividends and rent on land*, as mentioned.

Despite the budget cuts, and disregarding the once-off allocations in prior years, the Legislature's budget shows reasonable growth over the MTEF as a result of the carry-through of the zero-based budget baseline adjustment (including the 2 per cent cut effected against this adjustment) as reflected against provincial cash resources in 2018/19 and 2019/20, and included as part of the baseline from 2020/21.

6.2 Donor funding

The Legislature receives no direct funding in respect of the Legislature Support programme, which is funded by the European Union (EU), with the aim of contributing to the strengthening of democracy and good governance. Instead, the programme funds projects which support the entire Legislative sector, mainly aimed at achieving constitutional imperatives. The specific purpose is to support legislatures to fulfil their constitutional mandates in a citizen-oriented manner. The allocation of EU funding and the monitoring thereof is undertaken centrally at a national level on behalf of the nine provinces.

7. Payment summary

This section summarises the expenditure and budgeted estimates for the Vote in terms of programmes and economic classification. Details of the economic classification per programme are given in *Annexure – Vote 2: Provincial Legislature*.

7.1 Key assumptions

The Legislature applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- National Treasury's guidelines prescribe cost of living adjustments of 6.5, 6.3 and 6.5 per cent over the MTEF. It is noted that the 1.5 per cent annual pay progression is not applicable to the Legislature sector, nor is the annual wage adjustment as determined by the DPSA for provincial departments. The Legislature budgeted for growth of 6.8, 6.5 and 11.1 per cent over the MTEF (calculated excluding the once-off provision for backpay in 2017/18), which provides adequately for the current Legislature staff in the first year of the MTEF. As mentioned, the *Compensation of employees'* budget for the Legislature staff will need to be reviewed in-year in 2018/19, taking into account the findings of the restructuring and job evaluation exercise, and implementation date thereof.
- Although the Legislature is not bound by Provincial Executive Council decisions, it will continue to try and adhere to the expanded cost-cutting measures as far as possible (as reissued by Provincial Treasury in 2017/18, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures).
- With regard to public participation, two TLTP sittings, five sectoral parliaments and an Interfaith Symposium were catered for. The cost of each event will vary, depending on location and population in the area. The costs will only be determined in April 2018, once the respective venues are finalised.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 2.2 shows additional equitable share funding received by the Legislature over the 2016/17, 2017/18 and 2018/19 MTEF periods. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 2.2 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	38 300	34 481	35 505	2 727	2 877
Above-budget 2015 wage agreement	2 264	2 418	2 582	2 727	2 877
Zero-based budget baseline adjustment	30 536	32 063	32 923	-	-
Commonwealth Parliamentary Association conference	4 000	-	-	-	-
Procurement of a lift for Legislature building	1 500	-	-	-	-
2017/18 MTEF period		(3 551)	(3 914)	34 288	36 174
Zero-based budget baseline adjustment		-	-	34 569	36 470
Reduction of 2% to Zero-based adjustments		(641)	(658)	(691)	(729)
PES and Provincial Own Revenue reductions		(2 112)	(2 414)	(4 282)	(4 518)
Budget cuts to fund remuneration of <i>Izinduna</i>		(798)	(842)	(888)	(937)
Additional funding from National Treasury		-	-	5 580	5 887
2018/19 MTEF period					7 248
Above-budget wage agreement			-	-	7 248
Total	38 300	30 930	31 591	37 015	46 298

With regard to the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities, the funding available to the province was reduced or cut. The baselines of provincial Departments of Health had to be protected in view of the impact that the exchange rate had on the affordability of medicines, which are largely imported. To effect these cuts in KZN, *Compensation of employees* expenditure was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF. The Legislature's baseline was protected from these cuts in the 2016/17 Main Appropriation, in view of the ongoing discussion to top-slice Provincial Legislatures' budgets to be administered by National Treasury.

As such, in the 2016/17 MTEF, the following additional allocations were made:

- Additional funding was allocated over the MTEF for the carry-through costs of the above-budget 2015 wage adjustment for Legislature staff.
- Additional amounts of R30.536 million, R32.063 million and R32.923 million were allocated over

the MTEF in respect of the zero-based budget baseline adjustment. In addition (not evident in the table), amounts of R8 million, R8.400 million and R8.887 million were reprioritised from savings on the statutory Members' remuneration to the operational budget, as part of the baseline adjustment. In total, then, the Legislature's operational budget was increased by R38.536 million, R40.463 million and R42.810 million over the 2016/17 MTEF.

- A once-off R4 million was allocated for the CPA conference planned to be held in KZN in 2016. It is noted that the CPA conference was not held in KZN in 2016/17 as anticipated, due to the Legislature's tight schedule, resulting from the local government elections held in August 2016, as well as the fact that the CPA Africa Region Conference was held in Mauritius in August, followed by the CPA International Conference held in London in December.
- A once-off R1.500 million was allocated for the replacement of a lift in the Legislature building.

In the 2017/18 MTEF, the following adjustments were made:

- An additional R34.569 million was allocated in 2019/20 in respect of the zero-based budget baseline adjustment. From 2020/21, this adjustment becomes part of the Legislature's baseline.
- Although the Legislature's baseline was protected from the budget cuts in the 2016/17 Main Appropriation, as mentioned above, it was also said, at the time, that if the top-slicing of provincial legislatures did not occur, the Legislature's budget would be cut during the 2016/17 Adjustments Estimate. As such, a 2 per cent cut was effected against the additional funds given to the Legislature with regard to the zero-based budget exercise, and this was carried through over the MTEF.
- In addition, the Legislature's budget was cut to fund the remuneration of *Izinduna*, as well as the downward revision of the PES and Provincial Own Revenue, as mentioned.
- The budget cuts were, however, offset in the outer year of the 2017/18 MTEF (with carry-through), because of additional funding allocated to provinces by National Treasury. This funding was proportionately allocated to all 15 Votes to ensure that the budget cuts are offset in the outer year.

In the 2018/19 MTEF, the following adjustments were made:

- National Treasury allocated additional funding in the outer year of the MTEF to provide for the above-budget wage agreement. This was split proportionally across all 15 Votes, with the Legislature receiving R7.248 million in 2020/21.
- It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The Legislature's budget will accordingly be cut by R2.856 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

The services rendered by the Legislature are categorised under two programmes, which are largely aligned to the uniform budget and programme structure of the Legislature sector. The Members' remuneration forms a direct charge on the Provincial Revenue Fund, and so is not included as a programme, but as *Direct charge on the Provincial Revenue Fund*. Tables 2.3 and 2.4 provide a summary of the Vote's expenditure and budgeted estimates, by programme and economic classification, respectively.

Table 2.3 : Summary of payments and estimates by programme: Provincial Legislature

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	167 774	145 983	155 217	181 517	249 025	247 025	191 996	208 698	225 730
2. Parliamentary Business	226 159	212 950	242 156	265 727	280 727	282 727	282 967	298 378	315 790
Direct charge on the Provincial Revenue Fund									
Members' remuneration	82 094	77 204	78 001	88 056	88 056	88 056	90 251	93 444	99 277
Total	476 027	436 137	475 374	535 300	617 808	617 808	565 214	600 520	640 797
of which:									
Departmental receipts	2 950	3 338	7 603	813	813	3 943	860	907	956

Table 2.4 : Summary of payments and estimates by economic classification: Provincial Legislature

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	299 174	271 616	287 801	336 852	385 400	385 400	354 561	386 193	418 974
Compensation of employees	160 533	160 729	170 455	192 922	203 022	203 022	208 304	221 745	246 280
Goods and services	138 641	110 887	117 346	143 930	182 378	182 378	146 257	164 448	172 694
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	84 401	81 471	101 931	102 678	102 678	102 678	110 040	110 064	111 252
Provinces and municipalities	20	19	18	40	40	40	42	44	46
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	141	292	181	228	228	228	241	255	269
Public corporations and private enterprises	-	-	-	28	28	28	30	32	34
Non-profit institutions	84 240	81 055	101 732	102 282	102 282	102 282	109 627	109 627	110 791
Households	-	105	-	100	100	100	100	106	112
Payments for capital assets	9 545	5 846	7 641	7 714	41 674	41 674	10 362	10 819	11 294
Buildings and other fixed structures	2 055	-	-	940	7 400	7 400	995	1 051	1 109
Machinery and equipment	4 179	4 139	7 641	5 129	32 629	32 629	5 427	5 731	6 047
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 311	1 707	-	1 645	1 645	1 645	3 940	4 037	4 138
Payments for financial assets	813	-	-	-	-	-	-	-	-
Total	393 933	358 933	397 373	447 244	529 752	529 752	474 963	507 076	541 520
Members' remuneration	82 094	77 204	78 001	88 056	88 056	88 056	90 251	93 444	99 277
of which:									
Compensation of employees	73 425	77 204	75 815	83 343	83 343	83 343	87 260	90 174	94 773
Goods and services	-	-	2 186	4 713	4 713	4 713	2 991	3 270	4 504
Transfers and subsidies to: Households	8 669	-	-	-	-	-	-	-	-
Adjusted total (incl. Members' remuneration)	476 027	436 137	475 374	535 300	617 808	617 808	565 214	600 520	640 797
of which:									
Departmental receipts	2 950	3 338	7 603	813	813	3 943	860	907	956

The following comments are made with regard to the Members' remuneration allocation, details of which are reflected at economic classification level in the rows beneath the Total in Table 2.4:

- The 2014/15 amount is high because it includes R8.669 million in respect of the allowance paid to Members that exited the Legislature following the 2014 general elections (reflected against *Transfers and subsidies to: Households*).
- There was minimal growth from 2015/16 to 2016/17, mainly because there was over-spending of R2.883 million against the Members' remuneration as a whole in 2015/16. The baseline was accordingly reviewed, following which several amendments were undertaken in 2016/17, and were carried through over the MTEF. The prior years' expenditure could not be restated, due to the statutory allocation being affected. The amendments were as follows:
 - The remuneration of the Speaker and Deputy Speaker should form part of the statutory allocation. Accordingly, R3 million in 2017/18, with carry-through, was moved from *Compensation of employees* in Programme 1 to the same category against the Members' remuneration.
 - The telephone allowances of Members, which previously formed part of the operational budget under Programme 2, should form part of the statutory allocation. As such, R4.713 million in 2017/18 was moved from *Goods and services* in Programme 2, to the same category in respect of the Members' remuneration. It is noted that the 2017/18 amount for *Goods and services* is overstated taking into account prior year and in-year spending, and the Revised Estimate needs to be corrected to reflect this. This accounts for the reduction in *Goods and services* from 2017/18 to 2018/19, whereafter the growth over the MTEF is inflationary. As mentioned, this was one of the areas affected by the reprioritisation toward increasing the PPF.
- Also contributing to the low growth from 2015/16 to 2016/17 for the Members' remuneration as a whole, was the fact that public office bearers received a zero per cent salary adjustment in 2016/17.
- The fairly low growth from 2017/18 to 2018/19 with regard to *Compensation of employees* relates to the fact that the 2017/18 budget included provision for an annual salary increase of approximately 6 per cent for Members, whereas the gazetted increase was lower than budgeted, at 4 per cent. The 2017/18 Revised Estimate needs to be adjusted slightly to reflect this lower than budgeted increase.

- The Members' remuneration grows steadily over the MTEF, taking into account the above-mentioned corrections that need to be made to the 2017/18 Revised Estimate in respect of both *Goods and services* and *Compensation of employees*.

With regard to the Legislature's operational budget (i.e. the two programmes excluding the Members' remuneration), the following paragraphs summarise the trends, while further detail is given in Section 8.

Programme 1: Administration shows a fluctuating trend, largely because the Legislature's major procurement costs and various once-off projects are centralised under this programme. The fluctuations can also be explained by the fact that Programme 1 was significantly under-spent in prior years, particularly in 2015/16 and 2016/17, and any unspent funds are allocated back in the ensuing financial year. For instance, the dip in 2015/16 relates to the fact there was under-spending of R19 million in that year, largely in respect of orders placed for goods such as minor assets, printing and office supplies, etc., which were not delivered by year-end. There was under-spending of more than R50 million in 2016/17, mainly because of the decision taken to not fill posts, the Law Society building renovations did not proceed, and the Legislature's activities were scaled down to accommodate the 2016 local government elections. The 2017/18 Main to Adjusted Appropriation increases significantly as the bulk of the unspent funds from 2016/17 were allocated back for various once-off projects, as explained in Section 6.1 above, including the SAP system and ICT strategy reviews, phase two of the audio-visual project, the upgrading of the Legislature's server, the Law Society building renovations, etc., largely accounting for the decrease from the 2017/18 Adjusted Appropriation to 2018/19. Also contributing was the reprioritisation of R5 million from Programme 1 in 2018/19 only, to adjust the secretarial allowance. Because of the low base, the MTEF allocations show above inflationary growth of approximately 8 per cent per annum.

Programme 2: Parliamentary Business fluctuates from 2014/15 to 2016/17, but then shows steady growth. This programme includes substantial provision for public participation initiatives, overseas study tours undertaken by portfolio committees, support for political parties in the form of constituency and secretarial allowances, as well as the PPF. As with Programme 1, the fluctuations can be explained by the fact that Programme 2 was under-spent in prior years, although to a lesser extent than Programme 1, and any unspent funds are allocated back in the ensuing financial year. For instance, Programme 2's budget was significantly under-spent in 2016/17 as a result of overseas study tours being postponed or scaled down in order to accommodate the 2016 local government elections. The increase from the 2017/18 Main to Adjusted Appropriation relates to the fact that these unspent 2016/17 funds were allocated back to cater for outstanding 2016/17 commitments and the above-mentioned overseas study tours. If this largely once-off expenditure is excluded, then the growth from 2017/18 to 2018/19 is fairly high, largely because of the previously mentioned reprioritisation of R5 million from Programme 1 in 2018/19 only, to increase the secretarial allowance, as well as the reprioritisation from the Members' remuneration to increase the PPF transfer from R35 million to R40 million per annum over the MTEF.

Compensation of employees in Table 2.4 relates to the Legislature staff only, excluding the Members' remuneration portion (which was discussed above). *Compensation of employees* reflects a generally steady increase. The 2014/15 spending includes once-off back-pay for the upgrading of posts following the implementation of the prior year job evaluation review results, which accounts for the marginal growth from 2014/15 to 2015/16. The growth from 2016/17 to the 2017/18 Main Appropriation is fairly high to cater for the planned filling of approximately 13 critical vacant posts in terms of the revised organisational structure, such as Chief Director: Corporate Services, Director: Security, three IT Specialist posts, Chief Operations Officer and Protocol Manager. As mentioned, however, the Legislature took a decision not to fill posts, pending the outcome of the restructuring and job evaluation exercise. The increase in the 2017/18 Adjusted Appropriation relates to the allocation of unspent 2016/17 funds for the once-off cost of the upgrading of posts (in line with the restructuring and job evaluation exercise), as well as for spending pressures relating to social contributions. If the upgrading of posts is not finalised before year-end, then the unspent funds will be allocated back to the Legislature in the 2018/19 Adjustments Estimate for this purpose. If the once-off amount for the upgrading of posts is excluded, then growth over the MTEF is 7.4, 6.5 and 11.1 per cent, which is adequate to cater for existing staff. However, the *Compensation of employees* budget will need to be reviewed and adjusted in-year to take into account the findings of the restructuring and job evaluation exercise, as well as the date of implementation.

Goods and services fluctuates from 2014/15 to the 2017/18 Adjusted Appropriation, largely due to once-off projects, as well as the fact that this category was under-spent in prior years, and any unspent funds are allocated back in the ensuing financial year. The high 2014/15 spending relates to once-off costs, including the revived Legislature complex feasibility study, the Hansard project, etc. Even though the allocated funds were not spent on these two projects, they were utilised to absorb in-year spending pressures, such as SAP roll-out costs, accounting for the decrease from 2014/15 to 2015/16. The dip in 2015/16 relates to the fact there was under-spending in respect of orders placed for goods such as minor assets, printing and office supplies, etc., which were not delivered by year-end. There was under-spending of more than R50 million in 2016/17, mainly because the Legislature's activities were scaled down to accommodate the 2016 local government elections. The 2017/18 Main to Adjusted Appropriation increases significantly as the bulk of the unspent funds from 2016/17 were allocated back for overseas study tours that were postponed in 2016/17, as well as various once-off projects, as mentioned under Programme 1 above, largely accounting for the decrease from the 2017/18 Adjusted Appropriation to 2018/19. The 2018/19 amount is fairly low due to the reprioritisation undertaken to increase the secretarial allowance, accounting for the high growth from 2018/19 to 2019/20, whereafter the growth is inflationary.

The category *Transfers and subsidies* increases steadily over the MTEF period, as follows:

- *Provinces and municipalities* caters for the payment of motor vehicle licences.
- *Foreign governments and international organisations* caters mainly for subscription fees and conference attendance costs in respect of the CPA. The MTEF amounts are based on the estimated fees to be paid in 2017/18, and will be reviewed in-year, if necessary.
- *Public corporations and private enterprises* caters for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles. No accident claims were received in prior years.
- *Non-profit institutions*, which comprises the constituency and secretarial allowances, as well as the PPF, shows fluctuations in the prior years and a steady increase over the MTEF. The 2014/15 amount includes the once-off R2.998 million relating to prior year interest earned on the PPF. As explained, the Legislature reprioritised R5 million in each year of the 2018/19 MTEF, increasing the PPF to R40 million per annum. No growth is evident in the category from 2018/19 to 2019/20, because a once-off R5 million was reprioritised to increase the secretarial allowance which was under-budgeted for in 2018/19. The 2019/20 allocation will be reviewed in the next budget process. The MTEF allocations include ongoing provision for the PPF, as well as the various allowances in respect of support staff, including researchers, and will be reviewed and adjusted in-year, taking into account the outcome of the job evaluation and restructuring exercise.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme, aimed at providing relief to poverty stricken families throughout KZN, and is therefore difficult to budget for.

Buildings and other fixed structures, which relates to capital building revamping projects, fluctuates depending on the nature of the work required. The spending in 2014/15 largely related to the costs of the Tatham Art Gallery parking for Members and renovations to the Speaker's cottage. No spending was incurred in 2015/16 and 2016/17 due to delays in the submission of outstanding invoices by DOPW in respect of the upgrading of the Legislature's toilets and renovations to the Speaker's cottage. In addition, the Law Society building renovations did not commence in 2016/17 as anticipated. As mentioned, following approval by STACOV to proceed with the Law Society building renovations, the project commenced in November 2017. The Legislature provided funds for these renovations in the 2017/18 Adjustments Estimate, hence the peak in the 2017/18 Adjusted Appropriation. However, the project scope is over 10 months and extends into 2018/19, hence, any funds unspent at year-end will be allocated back to the Legislature in the 2018/19 Adjustments Estimate for this purpose. Although the building revamping projects are continuing, the extent and nature of the work to be done are still under review, hence the fairly low MTEF allocations.

Machinery and equipment fluctuates significantly over the seven-year period due to several once-off costs. The 2014/15 amount includes the purchase of tools of trade for all new Members following the 2014 general elections. The high 2016/17 amount includes expenditure relating to various projects that

commenced in 2016/17, such as the upgrading of the Legislature's server and network infrastructure in order to accommodate the SAP system, etc., accounting for the drop from 2016/17 to the 2017/18 Main Appropriation. The increase in the 2017/18 Adjusted Appropriation relates to unspent 2016/17 funds allocated back to fund several capital projects, such as the capital aspects of phase two of the audio-visual project, the replacement of lifts in both the Legislature and administration buildings, as well as outstanding costs of the upgrading of the Legislature's server. The growth thereafter is largely inflationary, and caters for the purchase of furniture, vehicles and computers for both staff and Members.

Software and other intangible assets fluctuates in the prior years, largely due to the roll-out of various SAP modules, which went live in 2013/14 (hence the high spending in 2014/15). The growth over the MTEF includes provision for annual Microsoft and SAP licences.

There was expenditure of R813 000 in respect of *Payments for financial assets* in 2014/15, largely relating to the write-off of previous years' debt, some dating back as far as 2002.

7.4 Summary of conditional grant payments and estimates – Nil

7.5 Summary of infrastructure payments and estimates

Table 2.5 provides a summary of infrastructure payments and estimates, reflecting the cost of renovations and repairs to the Legislature buildings, based on input from DOPW. Infrastructure spending fluctuates markedly over the seven years, as it is dependent on the nature of the work required to be done to the Legislature buildings. As mentioned, the MTEF infrastructure allocations are preliminary at this stage.

Table 2.5 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	8 587	3 791	14 530	5 110	19 570	19 570	4 995	5 275	5 565
Maintenance and repair: Current	6 532	3 791	14 530	4 170	12 170	12 170	4 000	4 224	4 456
Upgrades and additions: Capital	2 055	-	-	940	7 400	7 400	995	1 051	1 109
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	-	-	-	-	-	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	8 587	3 791	14 530	5 110	19 570	19 570	4 995	5 275	5 565
<i>Capital infrastructure</i>	2 055	-	-	940	7 400	7 400	995	1 051	1 109
<i>Current infrastructure</i>	6 532	3 791	14 530	4 170	12 170	12 170	4 000	4 224	4 456

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total.

Maintenance and repair: Current spending in the prior years relates mainly to current repairs undertaken to the Speaker's cottage and offices of the Deputy Speaker, as well as the Legislature's toilets. The sharp increase in 2016/17 relates to unspent funds from the prior year allocated back in line with the PFMA and FMPPLA, of which some R11 million was allocated to contractors' costs for phase one of the audio-visual project. The increase of R8 million in the 2017/18 Adjusted Appropriation relates to contractors' costs for phase two of the audio-visual project. The total cost of the project is estimated to be R13 million in 2017/18, with the balance being allocated to *Machinery and equipment*, and is therefore not reflected in this table.

Upgrades and additions: Capital trends are detailed under *Buildings and other fixed structures* in Section 7.3 above.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 2.6 reflects spending on *Transfers* made by the Legislature to other entities from 2014/15 to 2020/21.

Table 2.6 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfers to public entities	-	-	-	-	-	-	-	-	-
Transfers to other entities	33 139	30 292	35 181	35 228	35 228	35 228	40 241	40 255	40 269
Commonwealth Parliamentary Assoc. 1.2. Office of the Secretary	141	292	181	228	228	228	241	255	269
Political Parties' Fund 2.5. Members' Facilities	32 998	30 000	35 000	35 000	35 000	35 000	40 000	40 000	40 000
Total	33 139	30 292	35 181	35 228	35 228	35 228	40 241	40 255	40 269

Payments are made to the CPA mainly for subscription fees and attendance costs relating to CPA conferences, accounting for the fluctuations. Although the Legislature was allocated an additional R4 million in 2016/17 to host a CPA conference in KZN, this amount was not for transfer to the CPA, but was for the administrative costs of hosting the conference. As mentioned, however, the CPA conference was not held in KZN in 2016/17 as anticipated, due to the Legislature's tight schedule.

The Legislature transfers funds annually to the PPF, in terms of the KZN Funding of Political Parties' Act. The PPF is aimed at assisting political parties to carry out their constitutional mandate of advancing the ideals of democracy. The allocation of money to the political parties is based on a prescribed formula. The 2014/15 amount includes a once-off R2.998 million relating to prior years' interest earned on the PPF. As mentioned, the annual transfer was capped at its 2010/11 level of R30 million from 2011/12 onward, in line with a Provincial Executive Council resolution. In 2015, the Provincial Executive Council granted approval to lift the capping of the PPF, hence the Legislature reprioritised R5 million in 2016/17 to increase the annual transfer to R35 million, continued over the MTEF. A further R5 million was again reprioritised in each year of the 2018/19 MTEF, increasing the PPF to R40 million per annum.

7.8 Transfers to local government – Nil

The Legislature makes no transfer payments to local government. Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence the table reflecting transfers to local government is excluded.

7.9 Transfers and subsidies

Table 2.7 reflects spending on *Transfers and subsidies* by programme and main category. The category as a whole shows a generally steady increase from 2014/15 to 2020/21, as detailed below the table.

Table 2.7 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	161	416	199	396	396	396	413	437	461
Provinces and municipalities	20	19	18	40	40	40	42	44	46
Motor vehicle licences	20	19	18	40	40	40	42	44	46
Foreign government and international organisations	141	292	181	228	228	228	241	255	269
Commonwealth Parliamentary Association	141	292	181	228	228	228	241	255	269
Public corporations and private enterprises	-	-	-	28	28	28	30	32	34
Insurance companies	-	-	-	28	28	28	30	32	34
Households	-	105	-	100	100	100	100	106	112
Speaker's Social Responsibility programme	-	105	-	100	100	100	100	106	112
2. Parliamentary Business	84 240	81 055	101 732	102 282	102 282	102 282	109 627	109 627	110 791
Non-profit institutions	84 240	81 055	101 732	102 282	102 282	102 282	109 627	109 627	110 791
Funding for political parties (e.g. constit. allowance)	51 242	51 055	66 732	67 282	67 282	67 282	69 627	69 627	70 791
Political Parties' Fund	32 998	30 000	35 000	35 000	35 000	35 000	40 000	40 000	40 000
Total	84 401	81 471	101 931	102 678	102 678	102 678	110 040	110 064	111 252

The category *Transfers and subsidies* under Programme 1 includes the following:

- *Provinces and municipalities* caters for the payment of motor vehicle licences.
- *Foreign governments and international organisations* provides for CPA subscription fees and conference attendance costs.
- *Public corporations and private enterprises* caters for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles.

- *Households* comprises donations made as part of the Speaker's Social Responsibility programme.

Under Programme 2, *Transfers and subsidies* comprises *Non-profit institutions*, as follows:

- The PPF, which is discussed in more detail under Section 7.7 above.
- Funding for political parties, which is also discussed in more detail under Section 7.7, as follows:
 - Constituency allowances are paid to political parties represented in the Legislature to set up offices for the benefit of constituents.
 - Secretarial allowances provide financial and administrative assistance to each political party represented in the Legislature, in proportion to its representation, to enable the party and its leader to perform their functions in the Legislature effectively.

8. Programme description

The uniform budget and programme structure for all Provincial Legislatures consists of two programmes, namely Programme 1: Administration and Programme 2: Parliamentary Business. The payments and budgeted estimates for these two programmes are summarised in terms of economic classification below, details of which are given in *Annexure – Vote 2: Provincial Legislature*.

8.1 Programme 1: Administration

The objective of Programme 1 is to provide strategic management of the institution and to provide quality corporate support services to the Legislature. Various costs relating to the Vote as a whole, including SCM costs, are centralised under the Financial Management sub-programme, while the Corporate Services sub-programme caters for capital and other major procurement projects. This means that some projects, such as SAP, are catered for under both sub-programmes. Tables 2.8 and 2.9 summarise payments and estimates for Programme 1 from 2014/15 to 2020/21.

Table 2.8 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the Speaker	23 682	17 934	18 525	25 123	25 231	23 231	25 097	27 552	29 663
2. Office of the Secretary	18 780	18 832	21 661	29 006	26 361	26 361	28 619	33 509	36 022
3. Financial Management	57 177	46 841	53 250	55 136	43 288	43 288	45 465	50 758	55 096
4. Corporate Services	68 135	62 376	61 781	72 252	154 145	154 145	92 815	96 879	104 949
Total	167 774	145 983	155 217	181 517	249 025	247 025	191 996	208 698	225 730

Table 2.9 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	157 255	139 721	147 377	173 407	206 955	204 955	181 221	197 442	213 975
Compensation of employees	82 473	80 396	82 471	96 610	105 710	105 710	103 310	108 709	121 049
Goods and services	74 782	59 325	64 906	76 797	101 245	99 245	77 911	88 733	92 926
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	161	416	199	396	396	396	413	437	461
Provinces and municipalities	20	19	18	40	40	40	42	44	46
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	141	292	181	228	228	228	241	255	269
Public corporations and private enterprises	-	-	-	28	28	28	30	32	34
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	105	-	100	100	100	100	106	112
Payments for capital assets	9 545	5 846	7 641	7 714	41 674	41 674	10 362	10 819	11 294
Buildings and other fixed structures	2 055	-	-	940	7 400	7 400	995	1 051	1 109
Machinery and equipment	4 179	4 139	7 641	5 129	32 629	32 629	5 427	5 731	6 047
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 311	1 707	-	1 645	1 645	1 645	3 940	4 037	4 138
Payments for financial assets	813	-	-	-	-	-	-	-	-
Total	167 774	145 983	155 217	181 517	249 025	247 025	191 996	208 698	225 730

The Office of the Speaker provides political and administrative leadership to the Legislature, ensures the provision of protocol services to Members, and the provision of support services to the Speaker and Deputy Speaker. This sub-programme is responsible for policy implementation, and includes the Speaker's Social Responsibility programme. The erratic trend up until 2018/19 relates to the ongoing implementation of the FMPPLA, including the building of capacity in anticipation of the functions to be undertaken by the Office of the Speaker (as the Treasury). The 2017/18 and MTEF allocations include ongoing provision for the various functions required in terms of FMPPLA, such as the Internal Audit function. These allocations will be reviewed in-year, depending on the outcome of the restructuring and job evaluation exercise.

The sub-programme: Office of the Secretary manages and supports the line function components of the Legislature in achieving their goals by co-ordinating and providing corporate strategy, performance monitoring and evaluation, policy management, transformation and communication, and ensuring effectiveness of internal control, risk management and governance processes. The trend is generally steady. The 2017/18 Main Appropriation includes approximately R4 million for IT consultants that were incorrectly budgeted for under the Risk Assessment unit in the Office of the Secretary, and were shifted to the IT unit under Corporate Services, accounting for the reduction in the 2017/18 Adjusted Appropriation. The MTEF reflect above inflationary growth, and make provision for the Office of the Secretary, Organisational Performance, Governance and Compliance, Transformation and Communication units.

Financial Management aims to provide efficient and effective financial management, and includes the CFO's office, financial management services, as well as SCM services, accounting for the fluctuations in the prior years. The main purpose is to plan the departmental budget, as well as to monitor and evaluate expenditure and revenue collection. In addition, various costs relating to the Vote as a whole are centralised here, such as cell-phone, land-line, printing and publication costs, and all current maintenance costs. The reduction in the 2017/18 Adjusted Appropriation relates to the budget for the Facilities Management function, including project costs, being correctly located under Corporate Services. The growth over the MTEF is inflation related, and caters for the above-mentioned centralised costs.

Corporate Services includes ICT, communication, human resources management and institutional support (fleet services, etc.), security and facilities management, property payments and operating leases. Capital building renovation costs and other major procurement costs are centralised under this sub-programme, such as the purchase and roll-out of SAP and the Law Society building renovations, accounting for the size of the budget, as well as the fluctuations in trends. The significant increase from the 2017/18 Main to Adjusted Appropriation relates to the fact that the bulk of the unspent funds from 2016/17 were allocated back to this sub-programme for various once-off projects, including R8.100 million for the upgrading of posts, as well as the movement of the budget for IT consultants and the Facilities Management function, as explained previously, and this largely accounts for the steep drop from the 2017/18 Adjusted Appropriation to 2018/19. The growth over the MTEF is largely inflation related, and includes provision for the above-mentioned activities, including increased property payments and operating leases.

Compensation of employees increased substantially in the prior years, largely due to the annual wage agreements, the implementation of the previous job evaluation review results and resultant backpay, as well as the filling of critical posts in terms of the revised organisational structure. The increase in the 2017/18 Adjusted Appropriation relates to the allocation of unspent 2016/17 funds for the once-off upgrading of posts, as well as for spending pressures relating to social contributions, hence the decrease to 2018/19. As mentioned, if the upgrading of posts is not finalised before year-end, then the unspent funds will be allocated back to the Legislature in the 2018/19 Adjustments Estimate for this purpose. If the once-off amount for the upgrading of posts is excluded, then growth over the MTEF is 5.8, 5.2 and 11.3 per cent, which is slightly lower than National Treasury guidelines for the first two years, and does not include provision for the filling of vacant posts. As mentioned, though, the *Compensation of employees'* budget will need to be reviewed and adjusted in-year to take into account the findings of the restructuring and job evaluation exercise and the implementation date, as well as the filling of critical vacant posts.

Goods and services includes provision for several once-off projects, including the roll-out of SAP and current building revamping projects. The significant increase in the 2017/18 Adjusted Appropriation relates to unspent 2016/17 funds allocated back for ongoing projects, such as the SAP system and ICT

strategy reviews, the implementation and roll-out of the SAP governance and risk module, phase two of the audio-visual project, various security related projects, etc. This accounts for the dip in 2018/19. The 2018/19 amount is also low due to the reprioritisation undertaken to increase the secretarial allowance, hence the high growth from 2018/19 to 2019/20. The MTEF amounts reflect inflation related growth and include provision for increased property payments and operating leases, as well as audit fees, SAP support services, routine maintenance and repairs to the Legislature complex and the administrative building, etc.

The category *Transfers and subsidies* includes the following categories:

- *Provinces and municipalities* reflects the payment of motor vehicle licences.
- *Foreign governments and international organisations* caters mainly for subscription fees and conference attendance costs in respect of the CPA.
- *Public corporations and private enterprises* caters for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles. This category is difficult to budget for.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme.

Buildings and other fixed structures caters for capital building revamping projects in respect of both the Legislature complex and the administrative building. In 2017/18 and 2018/19, the focus will be on the Law Society building renovations which commenced in November 2017, as mentioned previously.

Machinery and equipment fluctuates significantly over the seven-year period due to several once-off costs. The increase from the 2017/18 Main to Adjusted Appropriation relates to unspent 2016/17 funds allocated back to fund several capital projects, such as the capital aspects of phase two of the audio-visual project, the replacement of lifts in both the Legislature and administration buildings, as well as outstanding costs of the upgrading of the Legislature's server. The growth thereafter is largely inflationary, and provides for the purchase of furniture, vehicles and computers for both staff and Members.

Software and other intangible assets fluctuates in the prior years, largely due to the roll-out of various SAP modules. The growth from 2017/18 to 2020/21 caters for annual Microsoft and SAP licences.

The expenditure of R813 000 against *Payments for financial assets* in 2014/15 relates to the write-off of previous years' debt.

Service delivery measures: Administration

Table 2.10 illustrates the main service delivery measures pertaining to Programme 1. It is noted that the Legislature sector has not yet agreed on standardised service delivery measures.

Table 2.10 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1. Achieved clean administration	• Quarterly reports on follow-up audits on management efforts towards achieving a clean audit	4	4	4	4	
2. Improved institutional performance, planning, monitoring, reporting and evaluation	• Quarterly and annual performance reports detailing implementation of 2018/19 APP and Annual Oversight Plan targets, as well as progress in the development of the 2019/20 APP and Annual Oversight Plans in compliance with FMPPLA and the clearing of applicable audit and risk issues	5	5	5	5	
3. Improved management of the Legislature's budget and expenditure	• Quarterly budget performance reports detailing implementation of the 2018/19 budget, as well as progress in the development of the 2019/20 budget in compliance with FMPPLA and the clearing of applicable audit and risk issues	4	4	4	4	
4. An implemented procurement plan aligned to the Legislature's budget	• Quarterly reports on the implementation of the procurement plan in compliance with SCM prescripts, as well as clearing of applicable audit and risk issues	4	4	4	4	
5. Improved human resources management and development	• Quarterly reports on the development and implementation of the HR plan in compliance with HR prescripts and clearing of applicable audit and risk issues	4	4	4	4	
6. Improved ICT management, services and support	• Quarterly reports on the implementation of the ICT plan and clearing of applicable audit and risk issues	4	4	4	4	

8.2 Programme 2: Parliamentary Business

The objective of this programme is to provide effective procedural and related support to the House and to committees, and to facilitate public participation. The programme largely conforms to the customised budget structure for the sector, but the Legislature does not use the sector sub-programme: Co-operative Governance. The Legislature took a decision not to establish a Co-operative Governance unit, but rather establish an Auxiliary Services unit under the sub-programme: Corporate Services in Programme 1, to oversee transversal activities, such as facilities and security management, in line with the revised organisational structure.

Tables 2.11 and 2.12 reflect payments and estimates for the period 2014/15 to 2020/21. Programme 2 shows generally steady growth over the seven-year period. This programme includes substantial funding for public participation events, overseas study tours undertaken by portfolio committees, as well as support for political parties in the form of constituency and secretarial allowances and the PPF.

Table 2.11 : Summary of payments and estimates by sub-programme: Parliamentary Business

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Law-making	41 535	38 749	38 097	48 280	48 410	48 410	48 062	52 369	58 701
2. NCOP	692	822	624	1 670	1 670	1 670	1 566	1 443	1 522
3. Oversight	59 081	64 299	73 417	81 351	91 251	93 251	90 880	95 951	103 340
4. Public Participation	30 097	21 618	23 676	26 831	31 551	31 551	27 725	29 941	31 891
5. Members' Facilities	94 754	87 462	106 342	107 595	107 845	107 845	114 734	118 674	120 336
Total	226 159	212 950	242 156	265 727	280 727	282 727	282 967	298 378	315 790

Table 2.12 : Summary of payments and estimates by economic classification: Parliamentary Business

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	141 919	131 895	140 424	163 445	178 445	180 445	173 340	188 751	204 999
Compensation of employees	78 060	80 333	87 984	96 312	97 312	97 312	104 994	113 036	125 231
Goods and services	63 859	51 562	52 440	67 133	81 133	83 133	68 346	75 715	79 768
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	84 240	81 055	101 732	102 282	102 282	102 282	109 627	109 627	110 791
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	84 240	81 055	101 732	102 282	102 282	102 282	109 627	109 627	110 791
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	226 159	212 950	242 156	265 727	280 727	282 727	282 967	298 378	315 790

The sub-programme: Law-making focusses on passing effective and relevant laws in KZN, and also incorporates the functions of House Proceedings, Language Services and Hansard. The sub-programme includes provision for the Chief Operations Officer, Legislative Operations (staff) and Legislative Operations (Members). The MTEF amounts are based on current spending trends, which indicate that the sub-programme will be under-spent in 2017/18, although the 2017/18 Revised Estimate is not reflecting that. This accounts for the drop from 2017/18 to 2018/19, whereafter the growth is inflationary.

The NCOP sub-programme is responsible for facilitating NCOP liaison services. Parliament consists of two Houses, namely the National Assembly and the NCOP, which represent provinces to ensure that provincial interests are taken into account in the national sphere of government. Every province is equally represented in the NCOP. The budget provides mainly for the travel and subsistence costs relating to attendance at NCOP meetings, but the salaries for the NCOP support staff are paid from the Oversight sub-programme. The MTEF caters for scheduled NCOP meetings, and this accounts for the fluctuations.

The Oversight sub-programme is responsible for executing and conducting effective oversight of the Executive Committees, and providing research and legal services. The core functions include providing legal advice and support services to the Office of the Speaker, the Office of the Secretary, all office bearers, all committees of the Legislature (including management, portfolio and standing committees) and other units within the Legislature, and rendering legislative drafting services. Provision is also made under this sub-programme for overseas study tours undertaken by committees. The significant increase from the 2017/18 Main to Adjusted Appropriation relates to unspent funds from 2016/17 being allocated back to cater for overseas study tours which did not take place in 2016/17, as mentioned previously. This also accounts for the low growth to 2018/19, whereafter there is inflationary growth over the MTEF.

The aim of the Public Participation sub-programme is to address complaints through the petitions' system, and to create awareness of legislative processes through public education and the promotion of public involvement. Public participation is defined as the involvement of the public or communities in legislative processes, oversight, and issues of governance affecting their lives (Acts, Bills and/or public hearings). Public participation gives members of the public an opportunity to express their views and be informed on government processes and programmes. This sub-programme combines both staff and sectoral public participation costs. The significant increase from the 2017/18 Main to Adjusted Appropriation relates to unspent funds from 2016/17 being allocated back to this sub-programme to provide for spending pressures in respect of sectoral parliaments, partly relating to outstanding 2016/17 commitments in respect of communication costs, venues and facilities costs, etc. This also accounts for the low growth to 2018/19, whereafter there is inflationary growth over the MTEF.

The sub-programme: Members' Facilities provides benefits and facilities in respect of Members and offers support to political parties, and therefore includes no provision for *Compensation of employees*. This sub-programme caters for the constituency and secretarial allowances, as well as the PPF, as explained in Sections 7.7 and 7.9 above. The sub-programme also includes travel and subsistence costs relating to Members, in line with the "Quota of journeys" benefits prescribed in the Members' Handbook. The inflationary growth over the MTEF caters for the continued implementation of the sector oversight model, as well as support staff, such as researchers, which are contract based, and are not on the Legislature's organisational structure. These allowances are in line with guidelines from Parliament.

Compensation of employees in the prior years includes the annual wage agreements for the Legislature staff, the implementation of the prior job evaluation review outcome and resultant backpay, as well as the filling of critical posts in terms of the revised organisational structure. The growth over the MTEF is, at 7.9, 7.6 and 10.7 per cent, slightly higher than National Treasury's prescribed cost of living adjustments and is adequate to cater for existing staff, but does not include adequate provision for the filling of vacant posts. As mentioned, though, the *Compensation of employees'* budget will need to be reviewed and adjusted in-year to take into account the findings of the restructuring and job evaluation exercise and the implementation date, as well as the filling of critical vacant posts.

Goods and services largely caters for both staff and sectoral public participation costs, overseas study tours, committee costs, etc., and the bulk of the budget is allocated to travel and subsistence costs, advertising and communication costs, contractors (events co-ordinators), as well as venues and facilities. The significant increase in the 2017/18 Adjusted Appropriation relates to unspent 2016/17 funds allocated back to fund outstanding 2016/17 commitments and overseas study tours which were postponed in 2016/17 or were scaled down in order to accommodate the 2016 local government elections, accounting for the decrease from the 2017/18 Adjusted Appropriation to 2018/19. The MTEF growth is inflationary.

Transfers and subsidies to: Non-profit institutions comprises the constituency, secretarial and research allowances payable to political parties, as well as the PPF, as explained in Sections 7.7 and 7.9 above.

Service delivery measures: Parliamentary Business

Table 2.13 illustrates the main service delivery measures relating to Programme 2. The Legislature sector has not yet agreed on standardised service delivery measures. The Legislature reviewed its service delivery measures for 2018/19, and hence a number of new targets are included, indicated by "New" in the 2017/18 column.

Table 2.13 : Service delivery measures: Parliamentary Business

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1. Increased level of awareness and knowledge of the Legislature and its core business	• No. of public education campaigns/workshops	20	20	20	20	
2. Enhanced oversight, law-making and accountability	• Quarterly reports on House sittings facilitated	New	New	4	4	
3. Improved tracking of implementation of resolutions and answers to questions	• Quarterly progress reports on tracking the implementation of resolutions	4	4	4	4	
4. Improved oversight over departmental and committee planning	• No. of approved Committee Annual Oversight Plans and Committee Annual Operational Plans	18	19	19	19	
5. Improved oversight over the implementation of the NDP/PGDP by provincial departments	• No. of oversight reports on achievements in the implementation of NDP/PGDP prioritised targets tabled in the house	New	New	2	2	
6. Improved input by the Committees into the departmental APPs and budgets	• No. of reports on the consideration of 2019/20 draft APPs and budgets tabled at Committee meetings	15	15	15	15	
7. Improved oversight over the departmental performance against their APPs and budgets	• No. of analysis reports on quarterly and annual reports	55	55	55	55	
8. Improved stakeholder involvement/engagement on Legislature business	• Quarterly outcomes based reports on stakeholder involvement in Legislature business (Committees and House)	4	4	4	4	
9. Improved oversight over financial management and performance of departments and public entities	• No. of reports on Finance Portfolio Committee hearings conducted	3	3	3	3	
10. Improved oversight over departments and public entities in respect of the attainment of clean audit reports	• No. of SCOPA hearings conducted	2	2	2	2	
11. Enhanced oversight through focused intervention studies and oversight visits	• No. of reports on focused intervention studies conducted	11	11	11	11	
	• Quarterly reports on oversight visits conducted	New	4	4	4	
12. Empowered Committees to perform oversight	• No. of quarterly reports on study tours	4	4	4	4	
13. Improved processing of legislation before Committees	• No. of reports on Bills processed	4	4	4	4	
14. Conduct an assessment of the public participation initiatives/programmes	• Evaluation report on public participation initiatives/programmes of the Legislature to entrench democracy in the province	1	1	-	-	

9. Other programme information

9.1 Personnel numbers and costs

Table 2.14 reflects personnel information pertaining to the Legislature. Note that the table includes information relating to the Legislature staff only, and information relating to the Members of the Legislature is included as a footnote.

Table 2.14 : Summary of personnel numbers and costs by component

R thousands	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		Pers. growth rate	Costs growth rate	% Costs of Total
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Addit. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs			
Salary level																			
1 – 6	46	13 788	46	12 798	46	12 256	22	-	22	10 679	22	11 881	22	12 133	22	13 298	0.0%	7.6%	5.4%
7 – 10	126	97 995	123	98 151	119	85 624	125	-	125	102 685	125	107 855	125	115 308	125	126 665	0.0%	7.2%	52.0%
11 – 12	21	42 906	21	43 544	18	39 189	35	-	35	39 680	35	43 838	35	47 442	35	51 593	0.0%	9.1%	20.9%
13 – 16	28	5 844	28	6 236	26	33 386	26	-	26	41 878	26	44 730	26	46 862	26	54 724	0.0%	9.3%	21.6%
Total*	221	160 533	218	160 729	209	170 455	208	-	208	194 922	208	208 304	208	221 745	208	246 280	0.0%	8.1%	100.0%
Programme																			
1. Administration	113	82 473	109	80 396	102	82 471	107	-	107	97 610	107	103 310	107	108 709	107	121 049	0.0%	7.4%	49.4%
2. Parliamentary Business	108	78 060	109	80 333	107	87 984	101	-	101	97 312	101	104 994	101	113 036	101	125 231	0.0%	8.8%	50.6%
Total*	221	160 533	218	160 729	209	170 455	208	-	208	194 922	208	208 304	208	221 745	208	246 280	0.0%	8.1%	100.0%
*Excl. Members' remuneration:	69	73 425	69	77 204	69	75 815	-	69	69	83 343	69	87 260	69	90 174	69	94 773	0.0%	4.4%	40.5%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

It is noted that the Legislature's salary structure is very different to that of the Public Service. For the most part, the Legislature's salary levels are higher than Public Service counterparts. This position is exacerbated by the fact that, in some years, the annual wage adjustments for the administrative staff has been higher than the Public Service wage agreements.

As mentioned, in the third quarter of 2016/17, the Legislature embarked on a restructuring and job evaluation exercise aimed at achieving an updated organisational structure that is aligned to the current institutional strategic plan. As such, 13 critical vacant posts were not filled in 2016/17 and 2017/18, pending the finalisation of the restructuring and job evaluation exercise. Although some of the critical vacant posts are new, most are due to recent retirements and/or resignations, and this accounts for the decrease in personnel numbers from 221 in 2014/15 to 208 in 2017/18. Programme 1 has nine critical vacant posts, including Chief Director: Corporate Services, Manager: Security, three IT specialist posts, two budget analysts, etc. Programme 2 has four critical vacant posts, including the Chief Operations Officer and Protocol Manager.

Also as mentioned, the information in this table will be reviewed and adjusted taking into consideration the outcome of the restructuring and job evaluation exercise. Any financial implications resulting from the exercise, as well as the filling of vacant critical posts, will be funded by internal reprioritisation in-year and in the next budget process.

9.2 Training

Table 2.15 gives a summary of the Legislature's spending and information on training per programme over the seven-year period. It is noted that the Legislature's training budget caters for both staff and Members. As such, the table illustrates the number of staff and Members affected by the various training programmes and initiatives, and this accounts for the number of staff reflected in Table 2.15 being higher than the personnel numbers reflected in Section 9.1.

Table 2.15 : Information on training: Provincial Legislature

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	221	218	209	208	208	208	208	208	208
Number of personnel trained	78	62	66	70	70	70	74	78	82
of which									
Male	32	20	22	24	24	24	25	27	28
Female	46	42	44	46	46	46	49	51	54
Number of training opportunities	38	39	50	54	54	54	58	62	65
of which									
Tertiary	13	10	15	16	16	16	17	18	19
Workshops	13	11	15	16	16	16	17	18	19
Seminars	-	-	-	-	-	-	-	-	-
Other	12	18	20	22	22	22	24	26	27
Number of bursaries offered	21	10	15	24	24	24	25	26	27
Number of interns appointed	-	-	-	-	-	-	-	-	-
Number of learnerships appointed	21	-	10	24	24	24	25	26	27
Number of days spent on training	53	139	140	142	142	142	142	142	150
Payments on training by programme									
1. Administration	2 529	898	1 028	2 600	2 600	2 600	2 253	2 905	3 065
2. Parliamentary Business	-	-	-	523	-	-	553	584	616
Total	2 529	898	1 028	3 123	2 600	2 600	2 806	3 489	3 681

The Skills Development Act is not applicable to provincial legislatures. The amounts reflected relate to specific training courses that will assist in capacitating the Members and various components of the Legislature. The MTEF allocations provide for ongoing SAP and SCM training to both staff and Members, as well as training on the implementation of the FMPPLA.

ANNEXURE – VOTE 2: PROVINCIAL LEGISLATURE

Table 2.A : Details of receipts: Provincial Legislature

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	69	65	63	57	57	63	60	63	66
Sale of goods and services produced by department (excluding capital assets)	69	65	63	57	57	63	60	63	66
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	69	65	63	57	57	63	60	63	66
Of which									
Commission	69	64	62	57	57	63	60	62	66
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 610	3 273	6 859	478	478	3 785	506	534	563
Interest	1 610	3 273	6 859	478	478	3 785	506	534	563
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	486	-	679	-	-	26	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	486	-	679	-	-	26	-	-	-
Transactions in financial assets and liabilities	785	-	2	278	278	69	294	310	327
Total departmental receipts	2 950	3 338	7 603	813	813	3 943	860	907	956

Estimates of Provincial Revenue and Expenditure

Table 2.B : Payments and estimates by economic classification: Provincial Legislature

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	299 174	271 616	287 801	336 852	385 400	385 400	354 561	386 193	418 974
Compensation of employees	160 533	160 729	170 455	192 922	203 022	203 022	208 304	221 745	246 280
Salaries and wages	140 817	141 230	147 597	166 901	175 671	175 671	180 048	192 007	214 907
Social contributions	19 716	19 499	22 858	26 021	27 351	27 351	28 256	29 738	31 373
Goods and services	138 641	110 887	117 346	143 930	182 378	182 378	146 257	164 448	172 694
Administrative fees	970	576	810	1 185	1 185	1 185	1 429	1 509	1 592
Advertising	6 929	4 537	6 487	7 141	12 546	12 546	7 769	8 515	8 984
Minor assets	756	51	-	-	-	-	-	-	-
Audit cost: External	3 560	2 970	3 205	3 068	3 068	3 068	3 268	3 451	3 641
Bursaries: Employees	261	364	199	925	925	925	1 297	1 370	1 446
Catering: Departmental activities	10 669	5 851	8 207	13 275	9 825	9 825	8 542	9 252	9 761
Communication (G&S)	10 067	8 302	7 528	7 290	8 210	8 210	7 720	8 152	8 601
Computer services	2 481	2 675	3 860	3 541	7 049	7 049	1 046	1 756	1 974
Cons. and prof. serv.: Bus. and advisory serv.	16 438	9 833	10 443	14 334	23 476	23 476	15 947	20 518	20 835
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	387	613	515	600	510	510	635	670	707
Contractors	11 321	4 127	9 348	8 095	17 985	17 985	8 572	9 052	9 550
Agency and support / outsourced services	-	(1)	-	-	-	-	-	-	-
Entertainment	47	15	28	437	437	437	463	490	517
Fleet services (including govt. motor transport)	1 536	2 002	1 642	1 901	1 901	1 901	2 008	2 120	2 236
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	958	493	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	510	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	91	96	101
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 500	1 306	1 294	1 886	2 555	2 555	2 747	3 027	3 193
Consumable: Stationery, printing and office supplies	1 043	2 910	852	2 167	2 207	2 207	2 764	2 917	3 077
Operating leases	8 361	6 959	5 317	6 444	-	-	6 500	6 864	7 242
Property payments	8 984	10 155	8 102	8 384	8 384	8 384	9 372	9 790	10 329
Transport provided: Departmental activity	2 335	3 900	3 738	4 423	11 117	11 117	3 795	4 165	4 394
Travel and subsistence	33 954	30 794	35 137	42 086	54 370	54 370	44 862	51 581	54 309
Training and development	2 529	898	1 028	3 123	2 600	2 600	2 806	3 489	3 681
Operating payments	5 766	5 433	3 660	6 371	4 821	4 821	6 692	7 069	7 457
Venues and facilities	8 747	5 149	5 453	7 254	9 207	9 207	7 932	8 595	9 067
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	84 401	81 471	101 931	102 678	102 678	102 678	110 040	110 064	111 252
Provinces and municipalities	20	19	18	40	40	40	42	44	46
Provinces	20	19	18	40	40	40	42	44	46
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	20	19	18	40	40	40	42	44	46
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	141	292	181	228	228	228	241	255	269
Public corporations and private enterprises	-	-	-	28	28	28	30	32	34
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	28	28	28	30	32	34
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	28	28	28	30	32	34
Non-profit institutions	84 240	81 055	101 732	102 282	102 282	102 282	109 627	109 627	110 791
Households	-	105	-	100	100	100	100	106	112
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	105	-	100	100	100	100	106	112
Payments for capital assets	9 545	5 846	7 641	7 714	41 674	41 674	10 362	10 819	11 294
Buildings and other fixed structures	2 055	-	-	940	7 400	7 400	995	1 051	1 109
Buildings	2 055	-	-	940	7 400	7 400	995	1 051	1 109
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 179	4 139	7 641	5 129	32 629	32 629	5 427	5 731	6 047
Transport equipment	1 594	1 196	-	2 254	4 054	4 054	2 385	2 519	2 658
Other machinery and equipment	2 585	2 943	7 641	2 875	28 575	28 575	3 042	3 212	3 389
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 311	1 707	-	1 645	1 645	1 645	3 940	4 037	4 138
Payments for financial assets	813	-	-	-	-	-	-	-	-
Total	393 933	358 933	397 373	447 244	529 752	529 752	474 963	507 076	541 520
Members' remuneration	82 094	77 204	78 001	88 056	88 056	88 056	90 251	93 444	99 277
Adjusted total (incl. Members' remuneration)	476 027	436 137	475 374	535 300	617 808	617 808	565 214	600 520	640 797
of which:									
Departmental receipts	2 950	3 338	7 603	813	813	3 943	860	907	956

Table 2.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	157 255	139 721	147 377	173 407	206 955	204 955	181 221	197 442	213 975
Compensation of employees	82 473	80 396	82 471	96 610	105 710	105 710	103 310	108 709	121 049
Salaries and wages	72 693	70 922	71 106	84 085	92 345	92 345	89 346	94 063	105 598
Social contributions	9 780	9 474	11 365	12 525	13 365	13 365	13 964	14 646	15 451
Goods and services	74 782	59 325	64 906	76 797	101 245	99 245	77 911	88 733	92 926
Administrative fees	850	576	636	848	848	848	997	1 053	1 111
Advertising	2 129	1 280	2 103	2 412	5 867	5 867	2 561	2 697	2 846
Minor assets	756	51	-	-	-	-	-	-	-
Audit cost: External	3 560	2 970	3 205	3 068	3 068	3 068	3 268	3 451	3 641
Bursaries: Employees	261	364	189	794	794	794	841	888	937
Catering: Departmental activities	1 124	(45)	(15)	758	408	408	582	848	895
Communication (G&S)	7 610	5 889	7 008	7 114	7 114	7 114	7 534	7 956	8 394
Computer services	2 393	2 675	3 791	3 541	7 049	7 049	1 046	1 756	1 974
Cons. and prof. serv.: Bus. and advisory serv.	13 366	9 582	10 379	14 124	23 126	23 126	15 654	20 208	20 509
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	10	10	-	-	-
Contractors	7 662	2 751	8 128	5 949	14 539	14 539	6 300	6 654	7 020
Agency and support / outsourced services	-	(1)	-	-	-	-	-	-	-
Entertainment	47	6	28	314	314	314	333	352	371
Fleet services (including govt. motor transport)	1 530	2 002	1 642	1 901	1 901	1 901	2 008	2 120	2 236
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	958	493	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	34	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	91	96	101
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	907	1 149	1 134	1 524	2 093	2 093	2 214	2 465	2 600
Consumable: Stationery, printing and office supplies	923	2 708	385	1 686	1 686	1 686	1 997	2 109	2 225
Operating leases	8 361	6 938	5 317	6 444	-	-	6 500	6 864	7 242
Property payments	8 969	10 048	8 102	8 378	8 378	8 378	9 372	9 790	10 329
Transport provided: Departmental activity	-	58	151	99	6 643	6 643	210	222	234
Travel and subsistence	8 614	6 250	7 822	11 420	10 854	8 854	9 994	11 692	12 336
Training and development	2 529	898	1 028	2 600	2 600	2 600	2 253	2 905	3 065
Operating payments	2 884	2 103	2 668	3 057	3 357	3 357	3 552	3 751	3 957
Venues and facilities	307	81	712	766	596	596	604	856	903
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	161	416	199	396	396	396	413	437	461
Provinces and municipalities	20	19	18	40	40	40	42	44	46
Provinces	20	19	18	40	40	40	42	44	46
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	20	19	18	40	40	40	42	44	46
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	141	292	181	228	228	228	241	255	269
Public corporations and private enterprises	-	-	-	28	28	28	30	32	34
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	28	28	28	30	32	34
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	28	28	28	30	32	34
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	105	-	100	100	100	100	106	112
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	105	-	100	100	100	100	106	112
Payments for capital assets	9 545	5 846	7 641	7 714	41 674	41 674	10 362	10 819	11 294
Buildings and other fixed structures	2 055	-	-	940	7 400	7 400	995	1 051	1 109
Buildings	2 055	-	-	940	7 400	7 400	995	1 051	1 109
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 179	4 139	7 641	5 129	32 629	32 629	5 427	5 731	6 047
Transport equipment	1 594	1 196	-	2 254	4 054	4 054	2 385	2 519	2 658
Other machinery and equipment	2 585	2 943	7 641	2 875	28 575	28 575	3 042	3 212	3 389
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 311	1 707	-	1 645	1 645	1 645	3 940	4 037	4 138
Payments for financial assets	813	-	-	-	-	-	-	-	-
Total	167 774	145 983	155 217	181 517	249 025	247 025	191 996	208 698	225 730

Table 2.D : Payments and estimates by economic classification: Parliamentary Business

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	141 919	131 895	140 424	163 445	178 445	180 445	173 340	188 751	204 999
Compensation of employees	78 060	80 333	87 984	96 312	97 312	97 312	104 994	113 036	125 231
Salaries and wages	68 124	70 308	76 491	82 816	83 326	83 326	90 702	97 944	109 309
Social contributions	9 936	10 025	11 493	13 496	13 986	13 986	14 292	15 092	15 922
Goods and services	63 859	51 562	52 440	67 133	81 133	83 133	68 346	75 715	79 768
Administrative fees	120	-	174	337	337	337	432	456	481
Advertising	4 800	3 257	4 384	4 729	6 679	6 679	5 208	5 818	6 138
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	10	131	131	131	456	482	509
Catering: Departmental activities	9 545	5 896	8 222	12 517	9 417	9 417	7 960	8 404	8 866
Communication (G&S)	2 457	2 413	520	176	1 096	1 096	186	196	207
Computer services	88	-	69	-	-	-	-	-	-
Cons. and prof. serv.: Bus. and advisory serv.	3 072	251	64	210	350	350	293	310	326
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	387	613	515	600	500	500	635	670	707
Contractors	3 659	1 376	1 220	2 146	3 446	3 446	2 272	2 398	2 530
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	9	-	123	123	123	130	138	146
Fleet services (including govt. motor transport)	6	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	476	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	593	157	160	362	462	462	533	562	593
Consumable: Stationery, printing and office supplies	120	202	467	481	521	521	767	808	852
Operating leases	-	21	-	-	-	-	-	-	-
Property payments	15	107	-	6	6	6	-	-	-
Transport provided: Departmental activity	2 335	3 842	3 587	4 324	4 474	4 474	3 585	3 943	4 160
Travel and subsistence	25 340	24 544	27 315	30 666	43 516	45 516	34 868	39 889	41 973
Training and development	-	-	-	523	-	-	553	584	616
Operating payments	2 882	3 330	992	3 314	1 464	1 464	3 140	3 318	3 500
Venues and facilities	8 440	5 068	4 741	6 488	8 611	8 611	7 328	7 739	8 164
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	84 240	81 055	101 732	102 282	102 282	102 282	109 627	109 627	110 791
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	84 240	81 055	101 732	102 282	102 282	102 282	109 627	109 627	110 791
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	226 159	212 950	242 156	265 727	280 727	282 727	282 967	298 378	315 790

VOTE 3

Agriculture and Rural Development

Operational budget	R2 322 130 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R2 324 108 000
Responsible MEC	MEC for Agriculture and Rural Development
Administering department	Agriculture and Rural Development
Accounting officer	Head: Agriculture and Rural Development

1. Overview

Vision

The vision of the Department of Agriculture and Rural Development (DARD) is: *An inclusive, sustainable and radically transformed agricultural sector that builds thriving communities in balance with nature.*

Mission statement

The department's mission is: *To advance sound agricultural practices that stimulate comprehensive economic growth, food security and advancement of rural communities.*

Strategic objectives

Strategic policy direction: The department has reviewed its strategy and the realigned strategic direction will be biased towards food security at subsistence and household level, thereby addressing poverty, inequality and unemployment.

The department has set the following goals and strategic objectives in order to achieve this:

- **Corporate governance and integrated service delivery:** Provision of sound and transparent corporate and financial management systems.
- **Develop and promote the agricultural potential in KZN:** Promotion of optimal agricultural production for improved economic development and job creation.
- **Sustainable natural environmental management:** Promotion of natural resource conservation for improved agricultural production.
- **Promote sustainable rural livelihoods:** Improve access to services in rural areas through co-ordination.

Core functions

The core functions of the department are as follows:

- Food security
- Farmer development
- Veterinary services
- Rural development
- Governance

Legislative mandate

The core functions are governed by various Acts and regulations, falling under the following categories:

Transversal legislation

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Companies Act (Act No. 61 of 1973)
- Public Service Act (Act No. 109 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993)
- Annual Division of Revenue Act
- Employment Equity Act (Act No. 55 of 1998)
- Public Service Commission Act (Act No. 65 of 1984)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)

Agriculture and rural development legislation

- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Subdivision of Agricultural Land Act (Act No. 10 of 1970)
- Plant Improvement Act (Act No. 53 of 1976)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agriculture Law Extension Act (Act No. 87 of 1996)
- National Veld and Forest Fire Act (Act No. 101 of 1998)
- Veterinary and Para-Veterinary Professions Act (Act No. 19 of 1982)
- Livestock Brands Act (Act No. 87 of 1962)
- Livestock Improvement Act (Act No. 25 of 1977)
- Meat Safety Act (Act No. 40 of 2000) (Replacing Abattoir and Co-operation Act)
- Animal Diseases Act (Act No. 35 of 1984)
- Water Services Act (Act No. 108 of 1997)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agricultural Research Act (Act No. 86 1990)
- Agricultural Products Standards Act (Act No. 119 of 1990)
- Agricultural Produce Agents Act (Act No. 12 of 1992)
- Agricultural Development Fund Act (Act No. 175 of 1993)
- Perishable Product Export Control Act (Act No. 9 of 1983)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)
- Agricultural Credit Act (Act No. 28 of 1966)
- Fencing Act (Act No. 31 of 1963)
- Marketing Act (Act No. 59 of 1958)
- Plant Breeders Rights Act (Act No. 15 of 1976)
- Agricultural Debt Management Act (Act No. 45 of 2001)

- Soil User Planning Ordinance (Ordinance No. 15 of 1985)
- Genetically Modified Organisms Act (Act No. 15 of 1997)
- Hazardous Substances Act (Act No. 63 of 1973)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Environment Conservation Act (Act No. 73 of 1989)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)
- Environmental Conservation Amendment Act (Act No. 50 of 2003)
- Veld and Forest Fire Act (Act No. 101 of 1998)
- Municipal Systems Act (Act No. 32 of 2000)
- South African Medicines and Medical Devices Regulatory Authority Act (Act No. 32 of 1998)
- Further Education and Training Act (Act No. 98 of 1998)
- Higher Education Act (Act No. 101 of 1997)
- National Qualifications Act (Act No. 67 of 2008)
- International Animal Health Code of World Organisation for Animal Health (OIE-Office International des Epizooties)
- International Code for Laboratory Diagnostic Procedure for Animal Diseases of World Organisation for Animal Health
- The Sanitary and Phyto-sanitary Agreement of the World Trade Organisation (WTO)
- Spatial Planning and Land Use Management White Paper 2001
- Land Redistribution Policy for Agricultural Development

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Administration

The implementation of the organisational structure was finalised and the department will complete the physical verification process of the placement of all employees against correct posts by 31 March 2018. This process provided an opportunity for the department to clean its PERSAL records and to have only one approved structure on the system. The department proceeded with the filling of 191 critical posts that were approved by the OTP and Provincial Treasury. Of these posts, 81 were filled, 59 are at interview stages and 51 were advertised internally. It is envisaged that the recruitment process for these remaining 110 posts will be finalised by 31 March 2018.

Agriculture

Communal Estates:

The department assisted 138 registered Communal Estates with harvesting costs and operational costs such as drivers, diesel, etc., and transferred R12.224 million in this regard. The total area ploughed and planted by February 2018 was 14 958 hectares. Crops included maize, dry beans, soya beans, potatoes, among others.

Livestock production:

DARD entered in a new partnership with the Department of Rural Development and Land Reform (DRDLR), Mdukatshani Rural Development and Heifer Project South Africa with regard to the KZN Goat Agri-business programme, through which the youth were empowered to establish small businesses selling agricultural inputs to goat farmers such as supplementary feeding blocks. The farmers were empowered to sell their goats at auctions and at monthly sales where farmers negotiate market related prices. A total of 5 550 goats were sold at 13 auction sales, and farmers made R6 million in income. Farmers were trained in feeding and the management of the goats. The effects of supplementary feeding will be evaluated through a study being conducted with farmers where supplementary feed is supplied compared to where no supplementary feed is supplied to the goats. Through the land care programme, 4 615 hectares were cleared for cattle grazing and 112.69 km of fencing was installed with internal grazing camps.

Food and nutrition security:

The department identified the most deprived wards in the province and an additional budget of R90 million was prioritised for food and nutrition security interventions, increasing the budget to R200 million. Various interventions were implemented across the province and DARD achieved the following as reported at the end of the third quarter under the Food and Nutrition Security programme:

- Number of households benefitted – 25 782
- Number of community gardens established – 94
- Number of household gardens established – 3 017
- Number of institutional gardens supported – 187
- Number of infrastructure projects established (indigenous goats, chickens, mushrooms) – 196
- Number of households that receive fruit trees – 1 583

Extension and advisory services:

The department established the need to improve its recording system with regard to reporting on its achievements. Through using the digital pen (digi-pen) technology, the department improved the methodology of capturing interaction with its clients. The system was set up with the frontline staff to enable them to provide advisory reports to the clients that will also become available electronically as a portfolio of evidence of what was achieved.

Research and technology development:

The department, through research and technology development, supported agricultural production through 84 crop and livestock research projects conducted on and off research stations, technology transfer that took place through presentations at a research symposium, short courses, information and farmers' days, *ad hoc* advice, as well as mentoring of young scientists and technicians. A contribution was made to the pool of knowledge through the publishing of various publications, such as information packs and the department's Research and Technology Bulletin. The department developed spatial datasets for KZN which depict high-value agricultural land and water-conservation areas per municipality, and this was disseminated to all municipalities for inclusion into their various planning documents such as the Integrated Development Plan (IDP) manifested in a Spatial Development Framework (SDF).

Rural development

All districts identified and prioritised the planning and development of at least two Farmer Production Support Units which will provide support to smallholder farmers participating in the agri-parks programme. Progress varied from district to district depending on the state of readiness of district role-players. The agri-park programme requires an integrated approach across sectors and spheres of government, as well as with the farmers themselves. Progress was made in uMzinyathi (Thukela Ferry area), Amajuba (Ngogo), uMkhanyakude (Ndumo B), Ugu (Horseshoe farm), uThukela (Hlatikulu and Bergville), etc. Although progress was made in this 10-year strategy, it was slower than anticipated due to the number of role-players and the level of co-ordination and planning required.

The development of the pilot agri-village in Groenvlei (eMadlangeni Local Municipality) reached the stage of a final concept plan which is to be presented to the Provincial Executive Council for consideration and approval before detailed planning and implementation. The department played more of a co-ordination role in this planning phase relying on the Department of Human Settlements to undertake the planning. Cross-sector project management of the process between Human Settlements and DARD, as well as disputes among role players over land and basic service access, resulted in some delays as the plan should have been completed in June 2017 but was only finalised in November 2017. The hosting of smallholder expos had to be held back during the year partly due to slow progress of the development of the agri-park plans and infrastructure. This was also affected by unanticipated delays in filling posts in the department's Rural Development branch.

The department initiated a process for the development of an Agriculture Master Plan, which will guide investment decisions to support development and growth in the sector. Concurrently to the development of the master plan, the department sought to review the provincial Rural Development Strategy. The review of this strategy will assist the department to expand its role beyond agriculture, supported by a widely

accepted rural development framework. Through this, the department wishes to add value to the existing initiatives of various departments and assist with improving co-ordination so that comprehensive development materialises. In line with the development of the Agriculture Master Plan, the department continued to seek models to develop a database of agricultural baselines, statistics and trends in KZN to enable a closer and more accessible monitoring system of the role of agriculture in the provincial economy. A Colloquium with government departments, the Planning Commission, farmers, academics, etc. was held to launch this planning process.

Agri-business Development Agency (ADA)

In line with its mandate, ADA implemented agri-business projects assigned to it by DARD. ADA also implemented an Export Readiness programme for farmers, a SABS Certification programme, as well as a Youth in Agri-business Empowerment programme. The latter incorporates ADA's schools programme, which is an attempt to entice in-school youth to have an interest in pursuing careers in the agri-business sector. In addition, ADA provided training to agri-business entrepreneurs. To foster product differentiation and diversification in the market, ADA successfully implemented projects in the field of strawberries and grapes (wines), and started exploring other fruits to be developed in the uMkhanyakude District. ADA continued with providing support to the agri-business sector by assisting entrepreneurs with technical support and infrastructure development.

Mjindi Farming (Pty) Ltd (Mjindi)

Mjindi's mandate includes the provision of water, farmer support and maintenance of infrastructure in the Makhathini area to support farmers in the irrigation scheme. The main focus in 2017/18 remained the operation and maintenance of the irrigation infrastructure. The entity was also engaged in farmer development initiatives, which included the training of farmers.

During 2017/18, the entity continued to encourage farmer development support initiatives which included linking farmers with markets, finance houses and the commercialisation strategy aimed at increasing agriculture production through economies of scale. The entity continued to support local communities by creating job opportunities. A number of sizable projects such as the maintenance of fences, grading of infield roads, refurbishment of sluice gates and clearing of vegetation were implemented. Water leaks were reduced and this resulted in uninterrupted water supply to farmers. However, due to lower than average rainfall recorded in the Makhathini irrigation scheme for 2017/18 and despite the water supplied, production was below targets set for the year.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. With the 2018/19 budget, the department will continue with its focus on providing support to food insecure communities at subsistence and household food production level. Continued support will be provided to commercial farmers in order to improve agricultural production, and the focus will be on the development of rural communities through agri-villages and a co-ordinated approach to rural development.

Administration

The organisational structure will be reviewed and assessed to ensure optimum efficiency and an improved service delivery model. There will be slight amendments to the structure with the re-introduction of a Directorate to oversee food security and the youth, women and people living with disability. This is in support of the focus on food security at household and smallholder level, as well as developing the youth, women and people living with disability through agriculture. The department's internal controls and standard operating procedures will be enhanced to achieve clean administration and audit outcomes.

Agriculture

Food security and nutrition programme:

KZN has embarked on the roll-out of a Food and Nutrition Security programme and in 2018/19, the department has budgeted R203 million for interventions including one-home-one-garden, one-hectare-one-household, one-household-one-fruit-tree (or more), institution gardens, indigenous goats, indigenous chickens, as well as mushrooms.

Mechanisation programme:

DARD is exploring possibilities of working with ordinary members of the community who own tractors which are in good condition, so that they can be appointed by the department to provide mechanisation services in their communities. This should assist the department in reaching a greater number of communities and cover many more hectares in the province. As the Communal Estates agreements ended in 2017/18, after a three-year term, the department is currently reviewing the policy of supporting Communal Estates through the tractor lease agreement.

Infrastructure development:

The department will prioritise infrastructure projects comprising nurseries, grazing camps, dams, boreholes, irrigation schemes, diptanks, poultry, piggeries, etc. Most of the infrastructure projects will be funded through the Comprehensive Agricultural Support Programme (CASP) grant, guided by DARD's engineering section. These facilities will assist smallholder farmers to increase productivity and move up the ladder towards commercial farming.

Extension and advisory services:

The department will, with effect from 1 April 2018, ensure that the Extension Officer activities are recorded through the digi-pen software so that this information can be made available to all stakeholders that require information. This will be used for audit purposes, but the hard copies of the advisory notes and reports will be handed to clients /farmers for future reference, as well as follow-up extension work.

Research and technology development:

The department will continue to invest in a needs-driven research and technology development programme to provide solutions to problems and constraints in the agriculture sector and to offer new and innovative technologies to ensure sustainable agricultural production in KZN. In terms of Agricultural Risk and Disaster Management Relief Schemes, there are no schemes proposed for drought, although the KZN drought status is calculated and monitored monthly, for reporting to the Provincial Disaster Management Centre and the Department of Agriculture, Forestry and Fisheries (DAFF). A census for establishing an accurate database of all farmers in KZN will be carried out in 2019/20 due to budget constraints in 2018/19.

Rural development

Material improvement in the socio-economic conditions of communities' rural areas will remain the focal point of the department. In this respect, the department will ensure streamlined processes aimed at achieving coherence, integration and improved co-ordination of rural development initiatives. The focus of all investment opportunities in 2018/19 will be premised on identification and support to interventions with clear agrarian transformation fundamentals as part of building an inclusive rural economy envisaged by the NDP. As part of its co-ordination and integration function of rural development by departments, resources will be deployed to support both the agri-parks and Radical Agrarian Socio-Economic Transformation (RASET) strategies of government. The latter will mainly focus on the creation of Farmer Production Support Units (FPSU) to ensure a sufficient quantum of produce to be supplied to markets mainly aligned to RASET. The department will further promote rural development through integration of programmes within municipal IDPs.

Emphasis will also be on supporting the development of agrarian rural enterprises strategically positioned to offer reprieve associated with structural challenges which are preventing growth and development of smallholder farmers. Among other initiatives, the department will prioritise the creation of opportunities to enable market access of commodities produced by rural enterprises. Market access will further be promoted through increased support to rural enterprises supplying perishable agricultural products to public and private institutions as part of RASET. Linked to this will be continued support and promotion of rural business entities, particularly those owned by women.

The department will continue to create work or employment opportunities for agricultural graduates who are unable to enter the job market owing to limited work experience. Accordingly, the department will engage industry partners for a collaborative arrangement in support of the placement of graduates, particularly the youth, in various disciplines within the industry. The department will finalise the development of the Agriculture Master Plan, together with the review of the Rural Development Strategy. The irrigation master plan for the province will form part of the Agriculture Master Plan. The successful

delivery and the credibility of these plans will be dependent on extensive stakeholder engagement processes. The department plans to establish the Agricultural and Rural Development Advisory Council to guide growth and development aspirations of the sector.

Rationalisation of public entities

The department will be implementing the rationalisation recommendations by conducting a due diligence to amalgamate all agricultural entities, including Mjindi, ADA and Ntingwe Tea Estate. The new mandate of the combined entity will be to support and develop commercial farming, allowing the department to focus on household and smallholder farmers. The implementation of the merger is currently being initiated by DARD, and the impact on the entities is still uncertain.

Agri-business Development Agency (ADA)

It is anticipated that 2018/19 will be marked by some changes in the strategic direction of ADA. This is due to the merger of ADA, Mjindi and Ntingwe Tea, as approved by the Provincial Executive Council as part of the public entity rationalisation process. The draft ADA Bill will be amended to cater for the merger. ADA plans to continue with the implementation of its projects that started in 2017/18, including the Beef Feedlot in support of the Bambanani project, Nkunzana Trust (communal vegetable farm), KZN Essential Oil, Weenen Chicory, Wine project in uThukela, Thokazi and Nkwali abattoirs, as well as Msinga goat farm.

Mjindi Farming (Pty) Ltd (Mjindi)

The maintenance of the irrigation infrastructure will remain the main priority for Mjindi to ensure that farmers receive an efficient and uninterrupted supply of water. The irrigation canal, underground pipes, valves and pump stations infrastructure have reached their life span and require replacement. The entity will continue to encourage and introduce control measures that will enable the commercialisation co-operatives to efficiently and effectively utilise resources for greater profitability. Currently 80 per cent of claimed land has been successfully transferred to new land owners (Ntenga and Silwane Trust). A review of a qualifying criteria for farmers to receive agricultural inputs and grants will be conducted.

4. Reprioritisation

In the 2017/18 MTEF, the department reprioritised funding to increase the number of budgeted posts from 2 957 in 2016/17 to 3 073 posts in 2017/18. The high demand for services means that the department has to find the right balance between investment in human capacity and service delivery. To this end, the 2018/19 MTEF only provides for 2 821 posts. In addition, the department revisited the operational costs at all cost centres and a further R24 million was identified under items such as travelling and subsistence, maintenance of buildings and communications which were also reallocated towards service delivery.

5. Procurement

The department will continue to participate in a number of transversal contracts managed by National Treasury, including the provision of veterinary supplies, chemicals, fertilizer, fuel, as well as acquisition of departmental vehicles. The department experienced challenges in 2017/18 in the procurement of services and production inputs which had a negative impact on service delivery. These challenges were a culmination of events, including late finalisation of projects and specifications, resulting in a high volume of bids being advertised simultaneously. The high volume of work at the acquisition unit created severe pressure on the already inadequately capacitated SCM unit.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 3.1 indicates the sources of funding for Vote 3 from 2014/15 to 2020/21. The department will receive a budget of R2.324 billion for 2018/19, including conditional grants of R314.562 million made up of the Land Care Programme Grant: Poverty Relief and Infrastructure Development (henceforth called Land Care grant), the CASP grant, the Ilima/Letsema Projects grant and the EPWP Integrated Grant for

Provinces, details of which are provided in Section 7.4. It is noted that the EPWP Integrated Grant for Provinces allocation ends in 2018/19 since this grant is allocated on an annual basis, at this stage.

Table 3.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	1 748 500	1 884 349	1 870 141	1 899 712	1 899 712	1 899 712	2 009 546	2 135 720	2 278 373
Conditional grants	319 760	308 524	300 503	297 432	297 432	297 432	314 562	294 321	312 989
CASP grant	212 632	226 161	222 155	209 598	209 598	209 598	223 975	206 650	220 496
Ilima/Letsema Projects grant	92 093	69 401	63 876	67 356	67 356	67 356	71 263	75 253	79 392
Land Care grant	10 854	10 666	10 632	12 012	12 012	12 012	12 016	12 418	13 101
EPWP Integrated Grant for Provinces	4 181	2 296	3 840	8 466	8 466	8 466	7 308	-	-
Total receipts	2 068 260	2 192 873	2 170 644	2 197 144	2 197 144	2 197 144	2 324 108	2 430 041	2 591 362
Total payments	2 003 044	2 199 187	2 216 366	2 197 144	2 197 144	2 210 644	2 324 108	2 430 041	2 591 362
Surplus/(Deficit) before financing	65 216	(6 314)	(45 722)	-	-	(13 500)	-	-	-
Financing of which									
Provincial roll-overs	31 800	50 506	46 098	-	-	-	-	-	-
Provincial cash resources	30 986	49 100	-	-	-	-	-	-	-
Surplus/(Deficit) after financing	128 002	93 292	376	-	-	(13 500)	-	-	-

The table shows that, in the period 2014/15 to 2016/17, the department under-spent its budget allocation by R128.002 million, R93.292 million and R376 000, respectively.

In 2014/15, provincial cash resources of R30.986 million were allocated for the following:

- R8.500 million to provide for sheds in various districts for the department's mechanisation equipment (tractors and implements). This amount was subsequently diverted, with Provincial Treasury approval, towards rural development initiatives and provision of other infrastructure such as irrigation and fencing, due to the decision to review the department's mechanisation programme.
- R10.200 million for the livestock identification programme.
- R12.286 million to Mjindi to purchase irrigation equipment for the Makhathini irrigation scheme.

The under-expenditure of R128.002 million in 2014/15 was largely as a result of late rains affecting the planting season, as well as procurement delays and SCM challenges, including the following:

- R18.778 million relating to the Foot and Mouth Disease (FMD) barrier, irrigation, diptanks, boreholes, stock watering dams and repairs to quarantine camps.
- R17.825 million in respect of seed scoops, seedlings, Jojo tanks, as well as food production packs, R15.739 million in respect of the infrastructure budget that was not spent by DOPW for various infrastructure projects relating to the department's administration buildings.
- R10.712 million for the mechanisation and food security programmes, as well as R6.377 million for the continuation of the project to replace the signage at all departmental offices since the offices are poorly marked and existing signage bears the outdated name of the department.
- R1.553 million in respect of the Exinda project (this software accelerates access to applications and transversal systems, such as BAS, PERSAL, HARDCAT, Logis, etc.) on all official computers. There were delays with the service provider in implementing the project.

Of the under-expenditure in 2014/15, R50.506 million was rolled over to 2015/16 as follows:

- R1.554 million in respect of a project to install Exinda software on all official computers.
- R22.490 million in respect of the FMD barrier, irrigation projects in the Makhathini area relating to irrigation at Ndumo, as well as the KwaNgwanase abattoir and Jozini packer house, construction of diptanks, boreholes, stock watering dams and repairs to quarantine camps for the red-line fence.
- R26.462 million for animal vaccines that were ordered in 2014/15 but only delivered and paid for in 2015/16, as well as production inputs for the food security programme, which were delayed as a result of late rains and procurement challenges.

In 2015/16, the department received once-off provincial cash resources of R49.100 million, as follows:

- R10.200 million for assistance in the form of livestock fodder for the farmers affected by the veld fire disaster in 2014 in the Harry Gwala District.
- R38.900 million which was suspended from the 2014/15 budget to 2015/16. The remaining R28.700 million related to rural development initiatives.

The under-expenditure of R93.292 million in 2015/16 was mainly attributable to:

- R22 million for the software migration from Novell to Microsoft.
- R38.009 million in respect of the drought relief programme, of which R10.276 million relates to animal feed and medicines that were ordered but not delivered and R27.733 million in respect of boreholes, stock watering dams and diptanks that were not completed by 31 March 2016.
- R8.089 million in respect of departmental vehicles ordered but not delivered.
- R19.852 million under transfer payments of which R15.752 million related to Communal Estates for fuel and tractor drivers that was not transferred due to the impact of the drought that resulted in fewer hectares planted under the Communal Estates. A further R4 million related to a direct transfer for a poultry project where the project was behind schedule, hence DARD withheld the next tranche.

In 2016/17, an amount of R46.098 million was rolled over to 2016/17 for the following:

- R8.089 million in respect of motor vehicles.
- R27.733 million relates to boreholes, stock watering dams and the rehabilitation of diptanks.
- R10.276 million in respect of feed, fodder and animal medicine.

There was under-expenditure of R376 000 in 2016/17 as a result of the non-filling of vacant posts.

In 2017/18, the department is projecting to over-spend by R13.500 million due to a Special Investigations Unit (SIU) investigation that was not budgeted for. This investigation was in respect of the procurement and distribution of *Goods and services* in 2014/15.

There is steady growth over the 2018/19 MTEF. The CASP grant shows a decrease in 2019/20 before increasing in the final year of the MTEF. The decrease in 2019/20 is in line with the proposal from DAFF to reduce allocations to provinces in respect of the CASP grant, and redirect these funds toward the Black Producer Commercialisation Programme (BPCP). The farmers will still have access to the funding, but this will be managed through the funding model at a national level. The Land Care grant sees minor fiscal consolidation cuts in 2019/20 and 2020/21.

6.2 Departmental receipts collection

The estimated departmental receipts for Vote 3 are reflected in Table 3.2.

Further details are provided in *Annexure – Vote 3: Agriculture and Rural Development*.

Table 3.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	19 520	18 720	16 295	19 718	19 718	20 482	19 967	20 152	21 225
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	1	-	-	-	1	1	1
Interest, dividends and rent on land	369	27	79	11	11	54	20	21	22
Sale of capital assets	10 594	3 323	426	4 187	4 187	4 187	4 000	4 240	4 460
Transactions in financial assets and liabilities	1 784	1 642	3 222	560	560	501	592	625	659
Total	32 267	23 712	20 023	24 476	24 476	25 224	24 580	25 039	26 367

The bulk of the revenue collected by the department is against *Sale of goods and services other than capital assets*. This category comprises rental on departmental dwellings, parking fees, sale of assets less

than R5 000, student fees from Cedara Agricultural College and Owen Sithole College of Agriculture (OSCA), as well as soil and veterinary analytical services offered at the department's laboratories, etc. The downward trend from 2014/15 to 2016/17 can be attributed to no increase in tuition fees at the agricultural colleges, as well as 30 students who received bursaries from the department. The steady increase over the MTEF is due to inflationary increments.

Interest, dividends and rent on land mainly relates to interest charged on outstanding debts. It is difficult to budget for this category, hence the department's projections are conservative over the MTEF.

Sale of capital assets is derived from the sale of redundant assets, such as the sale of farming equipment, vehicles, etc. The increase over the MTEF is due to inflationary increments.

Transactions in financial assets and liabilities comprises staff debts recovered, such as breached bursary contracts, salary and supplier over-payments, etc. The conservative budgeting over the MTEF is due to the uncertainty in the recovery of debts.

6.3 Donor funding

Tables 3.3 and 3.4 reflect information relating to donor funding that the department receives.

The department does not have any current donor funding agreements and hence the tables only reflect historic information. The department had an agreement with the World Health Organisation (WHO) which ended in December 2015.

Table 3.3 : Details of donor funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Donor funding	-	2 895	-	-	-	-	-	-	-
World Health Organisation (Rabies project)	-	2 895	-	-	-	-	-	-	-
Total	-	2 895	-	-	-	-	-	-	-

Table 3.4 : Details of donor funding payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Donor funding	1 410	2 895	-	-	-	-	-	-	-
World Health Organisation (Rabies project)	1 410	2 895	-	-	-	-	-	-	-
Total	1 410	2 895	-	-	-	-	-	-	-

The agreement with WHO provided funding over five years from 2009/10, aimed at human rabies prevention through dog rabies control and eventual elimination in KZN. This funding was made available by the Bill and Melinda Gates Foundation, through WHO. The final transfer was received in the first quarter of 2015/16 and the programme ended in December 2015.

7. Payment summary

Section 7 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 3: Agriculture and Rural Development*.

7.1 Key assumptions

The key assumptions that underpin the MTEF budget of the department are summarised below:

- All inflation related increases are based on CPI projections.
- National Treasury's guidelines prescribe cost of living adjustments of 6.5, 6.3 and 6.5 per cent for each of the three years of the 2018/19 MTEF, respectively, as well as 1.5 per cent for the annual pay progression. The department has budgeted for 9.9, 7.9 and 7.8 per cent and this provides for the filling

of 110 posts in 2018/19. The department will review the number of posts it intends to fill in the outer years during the 2019/20 MTEF process.

- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 3.5 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 4.3 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(384 463)	(375 121)	(383 735)	(405 224)	(427 511)
Above-budget 2015 wage agreement	6 798	7 279	7 817	8 255	8 709
EKZNW - Above-budget 2015 wage agreement	3 116	3 328	3 555	3 754	3 961
EKZNW - Rhino anti-poaching	9 240	9 240	9 240	9 757	10 294
Freezing all vacant non-OSD posts	(10 000)	(10 620)	(11 278)	(11 910)	(12 565)
2% Goods and services cut	(39 511)	(23 992)	(26 151)	(27 615)	(29 134)
Cutting transfer to various entities	(354 106)	(360 356)	(366 918)	(387 465)	(408 776)
2017/18 MTEF period		(66 359)	(17 188)	(7 593)	(8 011)
EKZNW - Rhino anti-poaching		-	-	(9 757)	(10 294)
Susp. of balance of funds from SBGE to V7 for exchange rate pressures		(51 000)	-	-	-
PES and Provincial Own Revenue reductions		(11 148)	(12 745)	(22 606)	(23 849)
Budget cuts to fund the remuneration of <i>Izinduna</i>		(4 211)	(4 443)	(4 687)	(4 945)
Additional funding from National Treasury		-	-	29 457	31 077
2018/19 MTEF period			-	-	7 611
Above-budget wage agreement			-	-	7 611
Total	(384 463)	(441 480)	(400 923)	(412 817)	(427 911)

Over the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced or cut. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF.

Offsetting these cuts to some extent over the 2016/17 MTEF is the fact that the department received additional funding for the carry-through of the above-budget 2015 wage agreement. Furthermore, additional funding was allocated to the department in respect of scooping of stock water dams and buying animal feed for farmers that were affected by drought.

With regard to the 2017/18, as determined by the Provincial Executive Council on 2 November 2016, the province commenced the process of the remuneration of *Izinduna* in compliance with previously issued Presidential proclamations. There were also further reductions to the Provincial Own Revenue and the PES due to data updates of the PES formula, as well as fiscal framework reductions. The department also received a baseline adjustment over the MTEF, as well as additional funding from National Treasury in the outer year which offset the budget cuts in that year.

Over the 2018/19 MTEF, the department received additional funding from National Treasury in 2020/21 for the above-budget wage agreement.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. DARD's budget will accordingly be cut by R9.519 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

The department's budget structure conforms to the uniform programme structure prescribed for the Agriculture and Rural Development sector. The department has opted to utilise three programmes, namely Administration, Agriculture and Rural Development. The latter was only activated from 2015/16 onward and provides for rural development co-ordination and social facilitation in KZN. Administration comprises the support services budget, and the core functions are housed under the Agriculture and Rural Development Programmes.

The bulk of the department's budget allocation is for Agriculture (crop production, livestock farming, natural resources use and management, extension services, and land care and agricultural research), Veterinary Services (animal disease control, prevention of zoonotic diseases, inspection services, and primary health care services), as well as Rural Development (co-ordination and social facilitation). The department also receives various conditional grants and makes transfers to its two public entities, ADA and Mjindi.

Programme 2 provides the sector information by sub-programme and sub-sub-programme, due to the level of detail required by the sector in respect of Agriculture. The programme structure and the new organisational structure are closely aligned.

Tables 3.6 and 3.7 reflect a summary per programme and per economic classification for the Vote, details of which are given in *Annexure – Vote 3: Agriculture and Rural Development*.

Table 3.6 : Summary of payments and estimates by programme: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	390 126	432 548	457 419	510 164	517 077	529 191	532 805	567 744	605 198
2. Agriculture	1 612 918	1 764 748	1 744 190	1 655 274	1 649 815	1 651 201	1 759 864	1 830 323	1 951 886
3. Rural Development	-	1 891	14 757	31 706	30 252	30 252	31 439	31 974	34 278
Total	2 003 044	2 199 187	2 216 366	2 197 144	2 197 144	2 210 644	2 324 108	2 430 041	2 591 362

Table 3.7 : Summary of payments and estimates by economic classification: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 565 342	1 738 423	1 644 912	1 806 173	1 750 425	1 760 198	1 938 325	2 068 624	2 198 595
Compensation of employees	851 046	911 392	950 488	1 125 922	1 014 970	1 006 752	1 106 994	1 195 333	1 289 565
Goods and services	714 125	826 804	694 322	680 176	735 078	753 069	831 241	873 200	908 938
Interest and rent on land	171	227	102	75	377	377	90	91	92
Transfers and subsidies to:	219 116	246 968	275 994	269 631	292 873	293 660	208 699	212 983	223 190
Provinces and municipalities	1 237	1 313	1 278	1 586	1 598	1 598	2 092	2 159	2 216
Departmental agencies and accounts	108 351	101 306	97 000	137 820	124 207	124 207	122 838	129 357	136 170
Higher education institutions	-	-	3 000	-	44	44	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	91 962	112 091	155 526	106 798	141 498	141 498	74 230	71 903	75 146
Non-profit institutions	5 300	13 770	3 569	11 023	11 023	11 023	-	-	-
Households	12 266	18 488	15 621	12 404	14 503	15 290	9 539	9 564	9 658
Payments for capital assets	215 178	213 177	293 622	121 340	153 846	156 786	177 084	148 434	169 577
Buildings and other fixed structures	182 814	172 688	163 282	77 897	111 070	114 150	130 547	100 832	121 689
Machinery and equipment	32 180	40 139	130 120	42 715	41 268	41 128	45 987	47 032	47 318
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	350	169	668	872	872	550	570	570
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	39	-	51	60	636	636	-	-	-
Payments for financial assets	3 408	619	1 838	-	-	-	-	-	-
Total	2 003 044	2 199 187	2 216 366	2 197 144	2 197 144	2 210 644	2 324 108	2 430 041	2 591 362

With regard to Programme 1, the actual and projected spending shows a steady increase over the seven-year period. The increase from the 2017/18 Main to Adjusted Appropriation is in respect of the Microsoft migration costs which were funded from savings from vacant posts under Programme 2: Agriculture. The further increase from the Adjusted Appropriation to the Revised Estimate relates to the payments for SIU investigations taking place within the department. There is a steady increase over the MTEF.

Programme 2 shows a decrease from 2015/16 to 2016/17 and again from 2016/17 to the 2017/18 Main Appropriation. These decreases are as a result of the fiscal consolidation cuts. Also impacting on the decrease from 2016/17 to the 2017/18 Main Appropriation is that 2016/17 includes a roll-over of R46.098 million. The further decrease in the 2017/18 Adjusted Appropriation and the Revised Estimate is as a result of savings from vacant posts that were reprioritised towards partly funding the migration costs to Microsoft under Programme 1, as well as the shifting of funds following the matching and placing of employees to Programme 3. The slow increase from 2018/19 to 2019/20 is due to the reduction in the CASP grant, as mentioned. The farmers in KZN will still have access to the funding but it will be managed through the funding model at a national level.

Programme 3: Rural Development is a programme that commenced in 2015/16 and provides funding for *Compensation of employees* and related expenditure to perform the rural development co-ordination and social facilitation functions for the province. This function was transferred from OTP in 2014 without funding or personnel. The department reprioritised funding during 2016/17 and provided for 49 posts and the running costs of the rural development co-ordination and social facilitation functions which were subsequently suspended as part of the freezing of all vacant posts. The increase from 2015/16 to 2016/17 takes into account the new organisational structure, where certain directorates such as Investment and Partnerships are now under this programme. Also contributing to the 2016/17 increase is the partnership with the University of Zululand (UNIZULU) for the development of a Centre for Sustainable and Integrated Rural Development (CSIRD) at the university. The increase from 2017/18 onward provides for the implementation of the Unemployed Agricultural Graduates Youth Programme (UAGYP) aimed at facilitating comprehensive interventions towards promoting equitable and sustainable opportunities for unemployed agricultural graduates in KZN.

Compensation of employees shows a steady increase from 2014/15 to 2016/17 which is mainly in respect of the annual wage adjustments and pay progressions, rather than the appointment of additional staff. The increase in the 2017/18 Main Appropriation was to cater for the above-budget wage adjustment, as well as filling additional posts. The filling of posts was slower than anticipated and these savings were reprioritised in the Adjustments Estimate towards service delivery items under *Goods and services* and *Buildings and other fixed structures* as part payment of the Microsoft migration costs, as well as to offset the shortfall under *Transfers and subsidies to: Households*, as a result of unplanned staff exits. This also accounts for the further drop in the Revised Estimate. The 2018/19 allocation shows an increase from the 2017/18 Revised Estimate, but is lower than the 2017/18 Main Appropriation. This is due to the high demand for services under agricultural services, resulting in reprioritisation. The department obtained approval to fill 191 posts such as Engineers, Farm Aids, District Agriculture Directors, Scientific Researchers and Lecturers during 2017/18. As at 31 December 2017, 81 posts were filled, 59 posts were at interview stage and 51 posts were advertised internally. It is envisaged that the recruitment process for these remaining 110 posts will be finalised by 31 March 2018. The funding for these posts is included in the 2018/19 MTEF and the growth in the budget is adequate for this.

The spending against *Goods and services* shows an inconsistent trend between 2014/15 and 2016/17 and then shows a steady increase from 2017/18 onward. The peak in 2015/16 is twofold. Firstly, there was significant under-expenditure in 2014/15 due to late rains affecting crop production, as well as procurement delays and SCM challenges and secondly, the budget cuts implemented in the 2016/17 MTEF had an impact. Further contributing to the decrease in 2016/17 is the increase in funding through transfer payment for projects funded using the department's 50:50 funding model. This resulted in an increase under *Transfers and subsidies: Public corporations and private enterprises*. During 2017/18, the increase from the Main to the Adjusted Appropriation and again to the Revised Estimate is to address the high demand for services, and is funded through reprioritisation from savings under *Compensation of employees*. There is low but steady growth over the MTEF.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences, and the increase over the MTEF is aligned to the anticipated number of vehicles and tractors.

Transfers and subsidies to: Departmental agencies and accounts relates mainly to the transfers to ADA, as well as some transfers in terms of the Skills Development Levy and TV licences. The funding for ADA is for operational costs and project implementation by the entity in line with its mandate to improve the

secondary agriculture sector in the province. The decrease in 2015/16 and 2016/17 is due to the review of ADA to ensure that there is no duplication of functions between the department and the entity, which led to delays in the implementation of projects, as well as slow implementation of projects by ADA. The further decrease in the 2017/18 Adjusted Appropriation and again in 2018/19 is in line with the reprioritisation undertaken to align ADA's budgets to their internal capacity to spend the funds. This category shows steady growth over the MTEF.

Transfers and subsidies to: Public corporations and private enterprises comprises transfers to several entities, the main ones being Mjindi, SA Sugar Research Institute and Ithala Development Finance Corporation (Ithala) in 2014/15 and 2015/16. The steady increase between 2014/15 and 2016/17 is due to an increase in the number of entities that received once-off funding in line with the department's 50:50 funding model for projects. The peak in 2016/17 is due to the once-off transfer to the Independent Development Trust (IDT) of R20.322 million for the clearing of invasive alien species under the land care programme. The increase in the 2017/18 Adjusted Appropriation is due to transfers to Ithala and Mpofana Land Reform Cluster, as well as to accommodate new projects that receive direct transfers. The 50:50 funding model is currently under review, contributing to the decrease in 2018/19 and 2019/20. Details of the various entities receiving funds from the department are provided under Sections 7.7 and 7.9 of this document.

The increase under *Transfers and subsidies to: Non-profit institutions* in 2015/16 is in respect of the agricultural schools revitalisation programme. The department provided R50 million between 2015/16 to 2017/18 to improve the facilities for agricultural education at the five agricultural schools in province, namely Zakhe Agricultural College, Weston Agricultural College, Vryheid Landbou High School, James Nxumalo Agricultural High School and Shakaskraal Secondary School. It should be noted that Zakhe Agricultural College is a private college, unlike the other four government colleges, but is benefitting from the programme. This allocation is made based on approved business plans and is done in collaboration with DOE, with the original plan to implement over three years. Actual implementation at the schools is very slow and therefore the decrease in 2016/17 as the department only transfers the next tranche once the school has utilised the previous tranche according to the business plans.

Transfers and subsidies to: Households caters for staff exit costs and bursaries to external bursary holders.

Buildings and other fixed structures shows a decreasing trend between 2014/15 and the 2017/18 Main Appropriation. This is as a result of slow progress by DOPW, a number of projects at Makhathini being completed, as well as the budget cuts, resulting in fewer new projects being undertaken. The increase in the 2017/18 Adjusted Appropriation is in line with the final approved CASP grant business plan and the new Standard Chart of Accounts definitions. The drop in 2019/20 is due to the reduction against the CASP grant to fund the BPCP, as mentioned.

Machinery and equipment shows a peak in 2016/17 due to the once-off acquisition of additional tractors and farming implements for the development of Communal Estates. The increase in 2015/16 is in respect of replacing the aging main server at Cedara. The steady growth over the 2018/19 MTEF provides for the replacement of the existing fleet of departmental vehicles, farm equipment, laboratory equipment, as well as computers and office related furniture and equipment.

Biological assets provides for the acquisition of animals for research purposes, as well as livestock projects in respect of food security at household and smallholder level. The quantum of animals required is dependent on the research to be conducted, natural death, as well as the specific needs of livestock food security projects and therefore the fluctuating trend between 2014/15 and 2017/18. The MTEF provides for an inflationary increase.

Software and other intangible assets fluctuates as it makes provision for software upgrades as and when required. The peak in the 2017/18 Adjusted Appropriation is for engineering services software.

Payments for financial assets reflects expenditure from 2014/15 to 2016/17 only, and this relates to approved write-off of thefts and losses.

7.4 Summary of conditional grant payments and estimates

Tables 3.8 and 3.9 illustrate conditional grant payments and estimates from 2014/15 to 2020/21. Further details are given in *Annexure – Vote 3: Agriculture and Rural Development*.

Note that the conditional grant figures in Table 3.1 for the period 2014/15 to 2020/21 indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 3.8, which show the actual expenditure and estimates.

Table 3.8 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
CASP grant	212 632	226 161	222 155	209 598	209 598	209 598	223 975	206 650	220 496
Ilima/Letsema Projects grant	92 093	69 401	63 876	67 356	67 356	67 356	71 263	75 253	79 392
Land Care grant	10 854	10 666	10 632	12 012	12 012	12 012	12 016	12 418	13 101
EPWP Integrated Grant for Provinces	4 181	2 296	3 840	8 466	8 466	8 466	7 308	-	-
Total	319 760	308 524	300 503	297 432	297 432	297 432	314 562	294 321	312 989

Table 3.9 : Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	185 702	179 231	154 476	239 631	170 647	170 647	209 334	207 875	218 855
Compensation of employees	17 013	18 000	19 296	19 109	21 000	21 000	24 381	25 844	27 395
Goods and services	168 689	161 231	135 180	220 522	149 647	149 647	184 953	182 031	191 460
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	66 465	48 297	36 593	-	68 834	68 834	34 030	29 863	29 863
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	66 465	20 707	10 500	-	27 087	27 087	28 500	29 863	29 863
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	27 590	26 093	-	41 747	41 747	5 530	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	67 593	80 996	109 434	57 801	57 951	57 951	71 198	56 583	64 271
Buildings and other fixed structures	59 907	70 633	72 812	49 867	50 017	50 017	63 824	48 204	55 892
Machinery and equipment	7 541	10 363	36 622	7 934	7 934	7 934	7 374	8 379	8 379
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	319 760	308 524	300 503	297 432	297 432	297 432	314 562	294 321	312 989

The department is responsible for the following four national conditional grants:

- The CASP grant is aimed at enhancing the capacity of the Agriculture sector by providing support to beneficiaries of land and agrarian reform programmes. This programme also focuses on the revival of agricultural extension services. The decreases in 2016/17 and in 2017/18 are due to fiscal consolidation, as well as to allow DAFF to conduct an agricultural and rural census, and also to correctly allocate disaster funds that were inadvertently allocated to all nine provinces instead of the Northern Cape. The drop in 2019/20 is due to a reduction in the allocation to provinces to fund the BPCP. The funding model will be such that the portion from DAFF will be a grant and the portion from the financier will be a loan to the farmer. This programme will accelerate growth of black commercial farmers into the agricultural sector. A portion of the CASP allocation is transferred to ADA in respect of projects that are implemented by ADA following the finalisation of the CASP grant business plan. These projects were identified specifically for ADA. The allocation is also in respect of projects that are funded by way of direct transfers and are managed through a funding agreement between the department and beneficiaries. This method of funding is only utilised once the beneficiary has met certain criteria and the adjustments are then effected in the Adjustments Estimate, and hence there is a low allocation in 2018/19. Beneficiaries funded under this category include Inqanawe Tunnel Project, Rapid Dawn 1064 CC, Siyathuthuka Farms, Copperfield Dairy, Ekuphileni Poultry and Agricultural Farming Primary Co-operative, Mpofana Land Reform Cluster, etc.

- The Ilima/Letsema Projects grant, which falls under the Ilima/Letsema campaign driven by DAFF, is aimed at unlocking the potential of currently ‘dead’ land and other assets, particularly in communal areas. In KZN, this grant is utilised for various projects, including the food security and mechanisation programme and the irrigation schemes within the Makhathini development project. The high expenditure in 2014/15 is due to the roll-over of unspent funds. The decrease in 2016/17 is due to the fiscal consolidation cuts. Apart from these fluctuations, the grant shows a steady increase and was not affected by budget cuts over the 2018/19 MTEF.
- The Land Care grant is aimed at optimising the sustainable use of natural resources to ensure greater productivity, food security and job creation. The allocation decreases slightly in 2015/16 and 2016/17, due to fiscal consolidation, before increasing over the 2018/19 MTEF, even though the department had further fiscal consolidation cuts in 2019/20 and 2020/21, though relatively small.
- The EPWP Integrated Grant for Provinces allocation is based on the number of EPWP jobs created in the previous year and therefore allocations are for one year only and not over the MTEF period, hence there is no allocation in 2019/20 and 2020/21. This grant is used to fund additional projects in the department’s land care programme, and therefore includes costs for material and wages.

Compensation of employees is in respect of the Extension Officers funded from the Extension Recovery Plan (ERP) pillar of the CASP grant.

The decrease in *Goods and services* from 2014/15 to 2015/16 is due to the R23 million roll-over included in 2014/15. The further decrease from 2015/16 to 2016/17 is in respect of a change of the funding mechanism to direct transfer for certain projects against *Transfers and subsidies to: Public corporations and private enterprises* and the acquisition of tractors and implements under *Machinery and equipment*. The allocation under this category is to cater for agricultural production inputs and materials, as well as computer services and uniforms for extension officers under the ERP pillar. There is a steady increase over the MTEF except for the dip in 2019/20 to fund the BPCP, as mentioned above.

Transfers and subsidies to: Departmental agencies and accounts relates to transfers made to ADA to implement projects funded from the CASP grant. The fluctuating trend is an indication of the number and value of projects that are implemented by ADA.

Transfers and subsidies to: Public corporations and private enterprises from 2015/16 onward is in respect of those projects where the department provides the funding as a direct transfer instead of procuring the *Goods and services*. This funding mechanism is only utilised where the beneficiary meets specific requirements and the adjustments are therefore effected during the year. Beneficiaries funded under this category include Inqanawe Tunnel Project, Rapid Dawn 1064 CC, Siyathuthuka Farms, Copperfield Dairy, Ekuphileni Poultry and Agricultural Farming Primary Co-operative, as mentioned.

Buildings and other fixed structures is mainly related to agricultural infrastructure such as poultry houses, fencing, irrigation schemes, etc. The decrease in 2019/20 is due to the reduction to the CASP grant to fund the BPCP, as indicated above.

Machinery and equipment relates to various agricultural equipment, as well as computers and vehicles acquired under the ERP pillar of the CASP grant. The high expenditure in 2016/17 relates to additional tractors and implements acquired for the Communal Estates programme. The MTEF allocation caters for the replacement of existing equipment, such as computers and office furniture.

7.5 Summary of infrastructure payments and estimates

Table 3.10 illustrates infrastructure payments and estimates for the period 2014/15 to 2020/21. Further details of the department’s infrastructure payments and estimates are presented in the *2018/19 Estimates of Capital Expenditure*.

The department’s infrastructure spending was at its highest in 2014/15 and then decreases. The decreasing trend is associated with the fiscal consolidation budget cuts from 2016/17.

Table 3.10 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	54 418	56 937	44 218	48 953	47 850	53 834	84 721	79 522	93 460
Maintenance and repair: Current	24 199	25 312	6 059	8 769	8 769	8 769	9 278	9 798	10 337
Upgrades and additions: Capital	3 228	6 321	1 089	-	472	2 084	-	-	-
Refurbishment and rehabilitation: Capital	26 991	25 304	37 070	40 184	38 609	42 981	75 443	69 724	83 123
New infrastructure assets: Capital	152 595	141 063	125 123	37 713	71 989	69 085	55 104	31 108	38 567
Infrastructure transfers	2 000	-	30 606	10 621	10 621	10 621	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	2 000	-	30 606	10 621	10 621	10 621	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	209 013	198 000	199 947	97 287	130 460	133 540	139 825	110 630	132 026
<i>Capital infrastructure</i>	<i>184 814</i>	<i>172 688</i>	<i>193 888</i>	<i>88 518</i>	<i>121 691</i>	<i>124 771</i>	<i>130 547</i>	<i>100 832</i>	<i>121 689</i>
<i>Current infrastructure</i>	<i>24 199</i>	<i>25 312</i>	<i>6 059</i>	<i>8 769</i>	<i>8 769</i>	<i>8 769</i>	<i>9 278</i>	<i>9 798</i>	<i>10 337</i>

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

Maintenance and repair: Current is quite high in 2014/15 and 2015/16 and is in respect of the maintenance of all the department's buildings, which is mostly outsourced to DOPW. The decrease in 2016/17 is in respect of an incorrect allocation for repairs of agricultural infrastructure which is now reflected under *Refurbishment and rehabilitation: Capital*, hence the increase against this category between 2015/16 and 2016/17. Over the 2018/19 MTEF, the category continues to provide for the maintenance of all the department's buildings.

Upgrades and additions: Capital shows no provision in the 2017/18 Main Appropriation as all the projects were classified as *Refurbishment and rehabilitation: Capital*. The increase in the 2017/18 Adjusted Appropriation is to correct the classification of projects which were incorrectly classified.

Refurbishment and rehabilitation: Capital shows a significant increase between 2015/16 and 2016/17, as mentioned. The MTEF provides for continuous refurbishment and rehabilitation of departmental offices at district and local office level, as well as at the two agricultural colleges, namely Cedara and OSCA. The increase in 2016/17 is also due to a roll-over in respect of the rehabilitation of diptanks. The decrease in the 2017/18 Adjusted Appropriation is due to the department correcting the allocation for agricultural projects which were incorrectly classified in prior years as *Refurbishment and rehabilitation: Capital*, whereas these were new structures and therefore included under *New infrastructure assets: Capital*.

New infrastructure assets: Capital relates mainly to projects in the Makhathini area. The decrease in 2016/17 is in respect of a shift from this category to *Infrastructure transfers: Capital* in respect of projects where the CASP grant portion is transferred to the beneficiaries. The department provides 50 per cent of the funding to farmers as support and the farmer must provide the other 50 per cent. These beneficiaries include Copperfield Dairy, Izobuya Nini Trading Enterprise CC, Indlovu Family CC, as well as Ekuphileni Poultry and Agricultural Farming Primary Co-operative. The MTEF provides for projects such as irrigation schemes at Makhathini, animal handling facilities, new sport facilities at OSCA, fencing, etc.

The category *Infrastructure transfers: Capital* in 2014/15 is for infrastructure requirements in respect of the Moringa project undertaken by People's Bio Oil (Pty) Ltd. The allocation in 2016/17 is in respect of a shift relating to projects where the department's CASP grant portion is transferred to the beneficiaries, as mentioned above. The allocation in 2017/18 is to finalise projects such as Nyezenhle Holdings – Roadside Abattoir which commenced in 2016/17.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 3.11 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA, as well as other entities. The financial summaries received from ADA and Mjindi are provided in *Annexure – Vote 3: Agriculture and Rural Development*. Although decisions taken in respect of the rationalisation of public entities are expected to have an impact on the 2018/19 MTEF budgets of

Mjindi and ADA, the baselines for these entities were maintained, with inflationary growth provided for over the MTEF, pending the implementation of the rationalisation exercise recommendations.

Table 3.11 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Sub-programme		Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfers to public entities		178 306	162 199	147 764	190 949	188 659	188 659	178 815	188 402	198 389
Agri-Business Development Agency	2.2. Farmer Supp.	106 410	99 500	94 581	134 948	121 335	121 335	120 014	126 308	132 880
Ithala Development Finance Corporation	2.2. Farmer Supp.	11 080	12 193	-	-	11 323	11 323	-	-	-
Mjindi Farming (Pty) Ltd	2.2. Farmer Supp.	60 816	50 506	53 183	56 001	56 001	56 001	58 801	62 094	65 509
Transfers to other entities		25 366	63 157	108 912	61 820	85 241	85 241	15 429	9 809	9 637
Agricultural Schools	2.6. Struc. Agric. Edu. and Train.	-	10 681	3 569	8 483	8 483	8 483	-	-	-
Agricultural Show Societies	2.2. Farmer Supp.	-	-	-	105	105	105	-	-	-
Animal Anti-Cruelty League (AACL)	2.3. Vet. Services	5 300	-	-	-	-	-	-	-	-
Communal Estates	2.2. Farmer Supp.	-	9 640	12 426	13 995	13 995	13 995	-	-	-
Copperfield Dairy	2.2. Farmer Supp.	-	-	6 500	-	-	-	-	-	-
Donations and Gifts Private Enterprise	2.2. Farmer Supp.	75	-	-	-	-	-	-	-	-
Ekuphileni Poultry and Agric. Farm. Prim. Co-op.	2.2. Farmer Supp.	-	-	5 500	6 500	6 500	6 500	-	-	-
Future Farmers Foundation	3.2. Struc. Agric. Edu. and Train.	-	-	-	-	2 224	2 224	2 324	2 438	2 565
Independent Development Trust (IDT)	2.2. Farmer Supp.	-	-	20 322	-	-	-	-	-	-
Indlovu Family CC	2.2. Farmer Supp.	-	-	3 221	-	-	-	-	-	-
Inqanawo Tunnel Project	2.2. Farmer Supp.	-	4 450	3 054	-	-	-	-	-	-
Izobuya Nini Trading Enterprise CC	2.2. Farmer Supp.	-	-	1 500	-	-	-	-	-	-
KZN Goat Agri-business Project	2.2. Farmer Supp.	-	-	-	8 350	2 950	2 950	3 113	2 675	2 237
Lungisisa Indlela Village (LIV)	2.2. Farmer Supp.	1 200	-	-	-	-	-	-	-	-
Mbangweni Logistics (PTY) LTD	2.2. Farmer Supp.	-	-	-	-	2 200	2 200	2 765	-	-
Mpotana Land Reform Cluster	3.1. Rural Dev. Co-ordination	-	-	-	-	21 356	21 356	-	-	-
Ndisinduna Multipurpose Co-op LTD	2.2. Farmer Supp.	-	-	-	800	800	800	-	-	-
Nozinkano Trading CC	2.2. Farmer Supp.	-	-	-	-	2 200	2 200	2 765	-	-
Nyenzehle Holdings - Roadside Abattoir	2.2. Farmer Supp.	-	-	7 000	3 900	3 900	3 900	-	-	-
Nyonende Hatchery	2.2. Farmer Supp.	-	4 200	-	-	-	-	-	-	-
People's Bio Oil	2.2. Farmer Supp.	2 000	-	-	-	-	-	-	-	-
Rapid Dawn 1064 CC	2.2. Farmer Supp.	-	-	1 474	-	-	-	-	-	-
River Valley Project	2.2. Farmer Supp.	-	-	1 200	-	-	-	-	-	-
SA Sugarcane Research Institute	2.2. Farmer Supp.	918	2 544	2 242	2 565	2 692	2 692	2 645	2 777	2 916
Siyathuthuka Farms	2.2. Farmer Supp.	-	-	3 429	-	670	670	-	-	-
Sizisizwe Trad. Ent. Primary Co-op.	2.2. Farmer Supp.	-	-	4 728	-	-	-	-	-	-
Soil conservation subsidy	2.1. Sust. Resource	1 269	1 500	1 604	1 717	1 717	1 717	1 817	1 919	1 919
South African Sugar Association (SASA)	2.2. Farmer Supp.	14 604	27 053	15 117	8 744	8 744	8 744	-	-	-
THB Matebese Trading 114 CC	2.2. Farmer Supp.	-	-	-	4 121	4 121	4 121	-	-	-
University of KwaZulu-Natal	2.2. Farmer Supp.	-	-	-	-	44	44	-	-	-
University of Zululand	3.2. Struc. Agric. Edu. and Train.	-	-	3 000	-	-	-	-	-	-
Uthukela Local House of Trad. Leaders Dev. Tr.	2.2. Farmer Supp.	-	-	13 026	-	-	-	-	-	-
Zakhe Agricultural College	2.6. Struc. Agric. Edu. and Train.	-	3 089	-	2 540	2 540	2 540	-	-	-
Total		203 672	225 356	256 676	252 769	273 900	273 900	194 244	198 211	208 026

Agri-business Development Agency (ADA)

The actual expenditure and 2018/19 MTEF allocation is for projects to be implemented by ADA, as well as the operational costs of the entity. The decrease in 2015/16 is due to the review of the entity's mandate to ensure that there is no duplication of functions within the department. The further decrease in 2016/17 is due to the slow implementation and expenditure by the entity. The 2017/18 Adjusted Appropriation decreases in respect of savings through reprioritisation by ADA. ADA was requested by the department to review and reprioritise their projects for the current financial year, taking into account the slow spending of the entity in recent years. The entity will continue to focus on secondary agriculture with particular focus on the agro-processing sector, which the department will focus on primary agriculture aligned to the department's agrarian transformation strategy.

Ithala Development Finance Corporation (Ithala)

The 2014/15, 2015/16 and 2017/18 amounts relating to Ithala cater for a shortfall in wages of Ntingwe Tea Estate during the off-season. DARD is the main shareholder in the Ntingwe Tea Estate through the significant funding that was provided for the establishment thereof in 2003. Ithala is a lesser shareholder, and provides the management oversight of the entity and has been providing additional funding over the last few years to assist the entity to meet its operational costs. The department uses Ithala as a vehicle to channel the funding to Ntingwe Tea Estate. The rationalisation of public entities exercise also impacts on Ntingwe Tea and a priority area for the entity is to obtain its rain forest accreditation that will allow them to export their products and obtain better returns, thus yielding profits.

Mjindi Farming (Pty) Ltd (Mjindi)

The high expenditure in 2014/15 is due to once-off allocations provided for the acquisition of irrigation material for the irrigation scheme. The allocation from 2015/16 onward provides for the operational costs

and maintenance of existing infrastructure. The budget over the 2018/19 MTEF provides for operational costs of the entity, as well as maintenance of existing infrastructure.

Other entities:

The soil conservation subsidy is a provision to business and farming enterprises for sub-surface drainage works, and is a national initiative in response to the Conservation of Agricultural Resources Act (CARA). The allocation over the 2018/19 MTEF is based on past trends in respect of claims received and approved.

The department in the past made provision for contributions to various agricultural show societies, which are aimed at showcasing the latest developments in agriculture. There is no allocation over the MTEF.

The partnership with the SA Sugarcane Research Institute, which was formed in 2010/11, continues and grows steadily over the seven years. This partnership ensures the provision of specialist extension services to assist small-scale sugarcane farmers. The low spending in 2014/15 and subsequent peak in 2015/16 is due to an unforeseen delay in submitting and processing of invoices for the final quarter of 2014/15. Also, a new agreement was signed in 2015/16 which increased the activities of the institute, in terms of which increased research is undertaken by the institute and, hence, the increased financial contribution and this is carried through over the MTEF.

The transfer to Zakhe Agricultural College is in line with a partnership with the department, aimed at improving the facilities at the college to enhance agricultural education at the institution, as mentioned previously. The allocation ends in 2017/18. The department also entered into a funding agreement with the DOE whereby R50 million was made available over three years commencing in 2015/16. The funding is for the improvement of agricultural facilities of agricultural schools in order to enable the practical teaching and learning in the five agricultural schools in the province, namely Zakhe Agricultural College (a private college), Weston Agricultural College, Vryheid Landbou High School, James Nxumalo Agricultural High School and Shakaskraal Secondary School, as mentioned previously. The funding ends in 2017/18 and the DOE will be responsible for the maintenance of the infrastructure thereafter.

DARD entered into a one-year partnership with the Animal Anti-Cruelty League (AACL) in 2014/15 for the KZN Outreach programme. Also in 2014/15, DARD entered into an agreement with the SA Sugar Association to implement specifically approved sugar cane projects from 2014/15 to 2017/18, and a once-off transfer of R1.200 million in 2014/15 was made to Lungisisa Indlela Village (LIV). Funding of R4.200 million was provided to the Nyonende Hatchery in 2015/16 to enable the hatchery to become economically viable and funding, was provided to project beneficiaries under the 50:50 funding model including Inqanawe Tunnel Project, Ekhuphileni Poultry and Agricultural Farming Primary Co-operative, Siyathuthuka Farms, Masisizane Fund and Nyezenhle Holdings – Roadside Abattoir.

The allocation to Communal Estates is for the operational costs, such as fuel and tractor drivers, in respect of the tractors and farming implements that the department has transferred to them, in line with its agricultural transformation strategy implemented from 2015/16. The actual amount transferred in 2015/16 was low due to the drought which restricted agricultural activities. The allocation ends in 2017/18 as all Communal Estates would have been on the programme for three years and therefore no longer qualify for financial assistance in terms of the current funding model.

The 2016/17 expenditure includes a transfer to IDT in respect of an implementing agent agreement for the clearance of alien invasive species. Also, the transfer to UNIZULU for the development of the CSIRD was a once-off contribution in 2016/17.

In 2017/18, the department formed a five year partnership with the KZN Goat Agri-business programme with the first year contribution initially planned to be R8.350 million, but the department's contribution was subsequently extended over a five-year period, resulting in a decrease in the 2017/18 Adjusted Appropriation and provision made over the 2018/19 MTEF. Also, in 2017/18, further direct transfers are made to THB Matebese Trading 114 CC, Ndisunduna Multipurpose Co-op. Ltd, Mbangweni Logistics (Pty) Ltd and Nozinkaniso Trading CC. The latter two projects are also funded in 2018/19.

7.8 Transfers to local government

Tables 3.12 and 3.13 show the details of transfers to local government, which relate to rates in respect of OSCA. It is noted that the Transfers to local government section in the *EPRE* in previous years inadvertently omitted to include the rates budget relating to OSCA. It is noted further that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and so are excluded from the tables.

Table 3.12 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	-	-	-	-	-	-	-	-	-
Category B	-	-	-	-	-	-	-	-	-
Category C	34	13	-	40	52	52	34	38	40
Unallocated	-	-	-	-	-	-	-	-	-
Total	34	13	-	40	52	52	34	38	40

Table 3.13 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
OSCA - Rates and taxes	2.6. Struc. Agric. Edu. and Train.	34	13	-	40	52	52	34	38	40
Total		34	13	-	40	52	52	34	38	40

7.9 Transfers and subsidies

Table 3.14 summarises *Transfers and subsidies*, as explained above and below the table.

Programme 1's *Transfers and subsidies* fluctuate, largely due to the nature of transfers made as follows:

- *Provinces and municipalities* caters for motor vehicle licences and from 2017/18, the licence fees are charged to the programme that makes the most use of that particular vehicle.
- *Departmental agencies and accounts* caters for the Skills Development Levy that is payable based on the actual number of personnel employed.
- *Public corporations and private enterprises* is in respect of a donation toward the gala dinner for the Edendale Lay Ecumenical Centre centenary celebration.
- *Households* caters for staff exit costs and bursaries to external bursary holders covering Agricultural Engineering and various Agriculture Science Degrees, as well as Veterinary Degrees and Diplomas.

Transfers and subsidies under Programme 2 also fluctuates markedly over the seven years, as follows:

- *Provinces and municipalities* provides for the payment of motor vehicle licences. Municipal agencies and funds are in respect of rates paid for OSCA, which the department is providing for until DOPW takes responsibility for this account.
- *Departmental agencies and accounts* reflects payments for TV licences, as well as the transfers made to ADA. The fluctuations take into account the operational costs and projects undertaken by ADA.
- *Public corporations and private enterprises* relates to transfers made by the department to Mjindi, transfers made to implementing agents (IDT), as well as project beneficiaries that received direct grant funding, as detailed in Section 7.7. From 2018/19 onward, this category provides for increased transfers to Mjindi, as well as transfers for the soil conservation subsidy, the SA Sugarcane Research Institute, KZN Goat Agri-business programme and the two direct transfer funded projects (Mbangweni Logistics (Pty) Ltd and Nozinkaniso Trading CC).
- The funding for *Non-profit institutions* is dependent on partnerships/agreements that may be in place at any given point in time. The transfer against agricultural schools is in respect of the agricultural school revitalisation programme, including Zakhe Agricultural College, as mentioned.
- *Households* caters for staff exit costs.

Table 3.14 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	5 142	7 327	8 971	8 561	9 523	9 724	8 713	9 348	9 819
Provinces and municipalities	619	1 147	1 278	850	850	850	1 180	1 200	1 210
Motor vehicle licences	619	1 147	1 278	850	850	850	1 180	1 200	1 210
Departmental agencies and accounts	1 938	1 805	2 418	2 871	2 871	2 871	2 823	3 048	3 289
Skills Development Levy	1 938	1 805	2 418	2 871	2 871	2 871	2 823	3 048	3 289
Public corporations and private enterprises	-	5	-	-	-	-	-	-	-
Edendale Lay Ecumenical Centre	-	5	-	-	-	-	-	-	-
Households	2 585	4 370	5 275	4 840	5 802	6 003	4 710	5 100	5 320
Staff exit costs	2 585	1 260	1 259	540	1 502	1 703	10	100	220
Bursaries	-	3 110	4 016	4 300	4 300	4 300	4 700	5 000	5 100
2. Agriculture	213 974	239 641	263 995	261 070	280 945	281 528	197 662	201 197	210 806
Provinces and municipalities	618	166	-	736	748	748	912	959	1 006
Motor vehicle licences	584	153	-	696	696	696	878	921	966
Municipal agencies and funds	34	13	-	40	52	52	34	38	40
Departmental agencies and accounts	106 413	99 501	94 582	134 949	121 336	121 336	120 015	126 309	132 881
Agri-Business Development Agency	106 410	99 500	94 581	134 948	121 335	121 335	120 014	126 308	132 880
TV and radio licences	3	1	1	1	1	1	1	1	1
Public corporations and private enterprises	91 962	112 086	155 526	106 798	139 274	139 274	71 906	69 465	72 581
Agricultural Show Societies	-	-	-	105	105	105	-	-	-
Communal Estates	-	9 640	12 426	13 995	13 995	13 995	-	-	-
Copperfield Dairy	-	-	6 500	-	-	-	-	-	-
Donations & Gifts Private Enterprise	75	-	-	-	-	-	-	-	-
Ekuphileni Poultry and Agric. Farming Prim. Co-op.	-	-	5 500	6 500	6 500	6 500	-	-	-
Independent Development Trust (IDT)	-	-	20 322	-	-	-	-	-	-
Indlovu Family CC	-	-	3 221	-	-	-	-	-	-
Inqanawu Tunnel Project	-	4 450	3 054	-	-	-	-	-	-
Ithala	11 080	12 193	-	-	11 323	11 323	-	-	-
Izobuya Nini Trading Enterprise CC	-	-	1 500	-	-	-	-	-	-
KZN Goat Agri-business Project	-	-	-	8 350	2 950	2 950	3 113	2 675	2 237
Lungisisa Indlela Village (LIV)	1 200	-	-	-	-	-	-	-	-
Mbangweni Logistics (Pty) Ltd	-	-	-	-	2 200	2 200	2 765	-	-
Mjindi	60 816	50 506	53 183	56 001	56 001	56 001	58 801	62 094	65 509
Mpofana Land Reform Cluster	-	-	-	-	21 356	21 356	-	-	-
Ndisinduna Multipurpose Co-op Ltd	-	-	-	800	800	800	-	-	-
Nozinkaniso Trading CC	-	-	-	-	2 200	2 200	2 765	-	-
Nyeezenhle Holdings - Roadside Abattoir	-	-	7 000	3 900	3 900	3 900	-	-	-
Nyonende Hatchery	-	4 200	-	-	-	-	-	-	-
People's Bio Oil	2 000	-	-	-	-	-	-	-	-
Rapid Dawn 1064 CC	-	-	1 474	-	-	-	-	-	-
River Valley Project	-	-	1 200	-	-	-	-	-	-
SA Sugarcane Research Institute	918	2 544	2 242	2 565	2 692	2 692	2 645	2 777	2 916
Siyathuthuka Farms	-	-	3 429	-	670	670	-	-	-
Sizisizwe Trad. Ent. Primary Co-op.	-	-	4 728	-	-	-	-	-	-
Soil Conservation Subsidy	1 269	1 500	1 604	1 717	1 717	1 717	1 817	1 919	1 919
South African Sugar Association (SASA)	14 604	27 053	15 117	8 744	8 744	8 744	-	-	-
THB Matebese Trading 114 CC	-	-	-	4 121	4 121	4 121	-	-	-
Uthukela Local House of Trad. Leaders Dev. Tr.	-	-	13 026	-	-	-	-	-	-
Non-profit institutions	5 300	13 770	3 569	11 023	11 023	11 023	-	-	-
Zakhe Agricultural College	-	3 089	-	2 540	2 540	2 540	-	-	-
Animal Anti-Cruelty League	5 300	-	-	-	-	-	-	-	-
Agricultural Schools	-	10 681	3 569	8 483	8 483	8 483	-	-	-
Households	9 681	14 118	10 318	7 564	8 564	9 147	4 829	4 464	4 338
Staff exit costs	9 681	14 118	10 318	7 564	8 564	9 147	4 829	4 464	4 338
3. Rural Development	-	-	3 028	-	2 405	2 408	2 324	2 438	2 565
Higher education institutions	-	-	3 000	-	44	44	-	-	-
University of Zululand	-	-	3 000	-	-	-	-	-	-
University of KwaZulu-Natal	-	-	-	-	44	44	-	-	-
Public corporations and private enterprises	-	-	-	-	2 224	2 224	2 324	2 438	2 565
Future Farmers Foundation	-	-	-	-	2 224	2 224	2 324	2 438	2 565
Households	-	-	28	-	137	140	-	-	-
Staff exit costs	-	-	28	-	137	140	-	-	-
Total	219 116	246 968	275 994	269 631	292 873	293 660	208 699	212 983	223 190

Transfers and subsidies under Programme 3 relates to:

- R3 million against *Higher education institutions* in 2016/17 relates to the department's contribution to the development of the CSIRD at UNIZULU.
- *Public corporations and private enterprises* provides for the partnership with the Future Farmers Foundation for the placement of unemployed graduates on various farms, as well as agro-processing.
- *Households* caters for staff exit costs.

8. Programme description

The services rendered by the department are categorised under three programmes, which largely conform to the uniform budget and programme structure of the Agriculture and Rural Development sector, as explained previously. Programme 2 provides the sector information by sub-programme and sub-sub-programme, because of the level of detail required by the sector.

8.1 Programme 1: Administration

The primary role of Programme 1 is to support the line function components of the department in achieving their goals. Tables 3.15 and 3.16 summarise payments and estimates relating to Programme 1 for the period 2014/15 to 2020/21.

Table 3.15 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	17 968	14 129	16 001	15 342	15 342	13 488	15 535	16 475	17 327
2. Senior Management	27 492	31 238	26 144	42 249	35 262	53 646	45 917	47 259	49 797
3. Corporate Services	196 499	227 745	244 961	247 141	274 693	279 572	275 268	293 430	311 283
4. Financial Management	124 014	133 645	142 117	176 864	165 481	145 971	162 138	174 302	188 370
5. Communication Services	24 153	25 791	28 196	28 568	26 299	36 514	33 947	36 278	38 421
Total	390 126	432 548	457 419	510 164	517 077	529 191	532 805	567 744	605 198

Table 3.16 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	358 916	391 822	412 181	451 954	459 316	471 229	476 750	508 101	542 527
Compensation of employees	173 138	188 954	192 245	229 785	210 860	207 715	223 302	241 093	260 068
Goods and services	185 701	202 817	219 850	222 169	248 154	263 212	253 448	267 008	282 459
Interest and rent on land	77	51	86	-	302	302	-	-	-
Transfers and subsidies to:	5 142	7 327	8 971	8 561	9 523	9 724	8 713	9 348	9 819
Provinces and municipalities	619	1 147	1 278	850	850	850	1 180	1 200	1 210
Departmental agencies and accounts	1 938	1 805	2 418	2 871	2 871	2 871	2 823	3 048	3 289
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 585	4 370	5 275	4 840	5 802	6 003	4 710	5 100	5 320
Payments for capital assets	22 660	32 780	34 448	49 649	48 238	48 238	47 342	50 295	52 852
Buildings and other fixed structures	6 140	10 705	6 650	26 759	26 759	26 759	27 789	29 345	30 959
Machinery and equipment	16 520	22 075	27 747	22 890	21 479	21 479	19 553	20 950	21 893
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	51	-	-	-	-	-	-
Payments for financial assets	3 408	619	1 819	-	-	-	-	-	-
Total	390 126	432 548	457 419	510 164	517 077	529 191	532 805	567 744	605 198

The sub-programme: Office of the MEC provides for the efficient operation of the Ministry, and the MTEF budget shows steady growth in line with anticipated wage adjustments and inflationary increases.

The sub-programme: Senior Management provides for the running costs of the office of the HOD, DDGs and Chief Directors. The growth over the MTEF is in respect of the carry-through costs of the above-budget wage agreements and annual salary increments. This sub-programme also provides for A-G fees, as well as any other audits commissioned, and hence the increase in the 2017/18 Revised Estimate relating to the costs of the SIU investigations currently being undertaken in the department. The department will have to fund this through internal reprioritisation.

The Corporate Services sub-programme includes human resource management and development, business support services, legal services, security services, facilities, etc. The increase in 2016/17 and the 2017/18 Revised Estimate relates to the cost of the migration from Novell to Microsoft. The 2018/19 MTEF

provides for support to the department in terms of sound legal advice, adequate IT infrastructure, human resource management and development, employee wellness and ensuring adherence to the occupational health and safety requirements.

The sub-programme: Financial Management provides for sound financial management systems and controls, SCM systems that are fair, transparent and address the need for radical economic transformation, as well as management of the departmental fleet and capital infrastructure development. The operational costs of the vehicles are charged to the programmes that utilise the vehicle. DOPW is the implementing agent for the department's infrastructure projects, all departmental offices and official housing accommodation. The progress of implementation was slow between 2014/15 and 2016/17 which explains the low spending against this sub-programme and *Buildings and other fixed structures*. The 2018/19 MTEF provides for continued support to the line function, as well as rehabilitation and upgrades of office accommodation and the replacement of departmental vehicles.

The sub-programme: Communication Services includes activities to promote the image of the department and market the services provided by the department through a comprehensive communication strategy for both external stakeholders, as well as internal employees.

Compensation of employees in 2017/18 provides for the filling of 21 approved critical vacant posts at senior management level such as Chief Director: Agricultural Services, Chief Director: Human Resource Management, as well as Clerks and Personal Assistants. The allocation over the MTEF provides for five vacant posts, with a growth percentage of seven per cent in 2018/19 which is adequate to cater for filling these posts. The increase in 2018/19 is due to the filling of these additional posts, with the outer two years providing for the carry-through costs of the wage agreements, as well as annual salary increments.

Goods and services provides for hiring of offices and ITC services through SITA, both for the whole department, as well as leases of labour saving devices, telecommunication services, fleet management costs, operational costs such as subsistence and travel, as well as utility and security services, all in respect of Programme 1. The budget over the 2018/19 MTEF provides for these items.

With regard to *Transfers and subsidies*:

- *Provinces and municipalities* relates to the payment of motor vehicle licence fees.
- *Departmental agencies and accounts* is in respect of the Skills Development Levy payable to the Agriculture SETA.
- *Public corporations and private enterprises* relates to a once-off donation of R5 000 towards the gala dinner for the Edendale Lay Ecumenical Centre centenary celebration.
- *Households* caters for staff exit costs, as well as bursaries to 54 external bursary holders.

Buildings and other fixed structures comprises mainly renovations of office buildings at head office, as well as district and local offices. There is steady growth over the MTEF. The projects under this category over the 2018/19 MTEF relate to the rehabilitation of departmental buildings, such as local and district offices, staff housing and college facilities.

Machinery and equipment provides for the purchase of replacement vehicles and, to a limited extent, new vehicles for the departmental fleet, centralised under Programme 1, as well as office furniture and equipment. The allocation over the 2018/19 MTEF shows a steady increase and caters for office furniture and equipment, as well as the purchase of replacement departmental vehicles.

Payments for financial assets provides for the approved write-off of thefts and losses between 2014/15 and 2016/17.

8.2 Programme 2: Agriculture

Programme 2 has two main core functions, namely Agriculture and Veterinary Services. Agriculture encompasses crop production, livestock farming, land use and land reform (a national priority run by DARD at a provincial level). Veterinary Services entails animal disease control, prevention of zoonotic diseases, and ensuring safety of food products of animal origin.

Tables 3.17 and 3.18 give information relating to Programme 2, providing detail at sub-programme and sub-sub programme level, largely conforming to the uniform budget and programme structure for the sector, as mentioned earlier.

Table 3.17 : Summary of payments and estimates by sub-programme: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Sustainable Resource Management	77 460	75 492	74 396	101 490	80 418	85 000	85 176	91 548	96 321
Engineering Services	37 981	36 571	19 084	38 473	14 401	20 964	26 098	28 044	29 984
Land Care	39 479	38 921	41 601	45 013	45 013	45 013	43 250	46 629	48 372
Land Use Management	-	-	10 193	14 281	14 281	14 281	11 214	11 908	12 589
Disaster Risk Management	-	-	3 518	3 723	6 723	4 742	4 614	4 967	5 376
2. Farmer Support and Development	1 079 009	1 235 839	1 233 265	1 067 071	1 049 539	1 059 036	1 146 349	1 175 325	1 256 619
Farmer-Settlement and Development	234 899	452 879	701 418	265 788	321 536	321 536	313 275	292 892	291 781
Extension and Advisory Services	818 583	761 833	514 022	601 283	529 425	538 922	630 215	668 432	738 040
Food Security	25 527	21 127	17 825	200 000	198 578	198 578	202 859	214 001	226 798
3. Veterinary Services	182 517	163 086	176 333	163 348	185 240	179 142	198 694	212 060	226 594
Animal Health	155 354	131 833	141 881	123 405	145 297	142 791	159 655	170 607	182 933
Veterinary Public Health	7 400	7 951	9 117	9 380	8 580	4 043	8 409	8 941	9 410
Veterinary Laboratory Services	19 763	23 302	25 335	30 563	31 363	32 308	30 630	32 512	34 251
4. Research and Technology Development Services	169 990	181 914	170 881	191 848	213 382	210 567	212 362	226 676	240 417
Research	124 758	133 932	126 406	121 429	124 164	126 521	135 104	144 186	153 065
Infrastructure Support Services	45 232	47 982	44 475	70 419	89 218	84 046	77 258	82 490	87 352
5. Agricultural Economic Services	6 262	5 699	5 047	8 063	8 742	9 660	10 746	11 540	12 480
Agri-Business Support and Development	6 262	5 699	5 047	8 063	8 742	9 660	10 746	11 540	12 480
6. Structured Agricultural Education and Training	97 680	102 718	84 268	123 454	112 494	107 796	106 537	113 174	119 455
Higher Education and Training	97 680	102 718	76 440	99 432	86 928	90 761	85 534	90 808	95 747
Further Education and Training (FET)	-	-	7 828	24 022	25 566	17 035	21 003	22 366	23 708
Total	1 612 918	1 764 748	1 744 190	1 655 274	1 649 815	1 651 201	1 759 864	1 830 323	1 951 886

Table 3.18 : Summary of payments and estimates by economic classification: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 206 426	1 344 710	1 221 290	1 322 867	1 263 580	1 261 443	1 432 677	1 531 129	1 624 615
Compensation of employees	677 908	720 896	750 131	889 191	793 432	787 760	873 193	942 894	1 017 246
Goods and services	528 424	623 638	471 143	433 601	470 073	473 608	559 394	588 144	607 277
Interest and rent on land	94	176	16	75	75	75	90	91	92
Transfers and subsidies to:	213 974	239 641	263 995	261 070	280 945	281 528	197 662	201 197	210 806
Provinces and municipalities	618	166	-	736	748	748	912	959	1 006
Departmental agencies and accounts	106 413	99 501	94 582	134 949	121 336	121 336	120 015	126 309	132 881
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	91 962	112 086	155 526	106 798	139 274	139 274	71 906	69 465	72 581
Non-profit institutions	5 300	13 770	3 569	11 023	11 023	11 023	-	-	-
Households	9 681	14 118	10 318	7 564	8 564	9 147	4 829	4 464	4 338
Payments for capital assets	192 518	180 397	258 886	71 337	105 290	108 230	129 525	97 997	116 465
Buildings and other fixed structures	176 674	161 983	156 632	51 138	84 311	87 391	102 758	71 487	90 730
Machinery and equipment	15 660	18 064	102 085	19 471	19 471	19 331	26 217	25 940	25 165
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	350	169	668	872	872	550	570	570
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	39	-	-	60	636	636	-	-	-
Payments for financial assets	-	-	19	-	-	-	-	-	-
Total	1 612 918	1 764 748	1 744 190	1 655 274	1 649 815	1 651 201	1 759 864	1 830 323	1 951 886

The Sustainable Resource Management sub-programme includes the Engineering Services and Land Care sub-sub-programmes, as well as Land Use Management and Disaster Risk Management from 2016/17 onward. The additions of the latter two sub-sub-programmes were in line with the organisational structure, as well as further alignment to the uniform budget structure for the sector. Also affecting this sub-programme is the EPWP Integrated Grant for Provinces, which is an annual allocation based on the prior year's performance. The allocation in 2017/18 increased from R3.840 million to R8.466 million before decreasing again to R7.308 million in 2018/19, accounting for the fluctuations under that sub-sub-programme. The budget over the 2018/19 MTEF is to provide for the implementation of land care projects and to re-establish land for agricultural purposes, and these are implemented using EPWP principles aimed

at job creation. The Engineering Services sub-sub-programme provides technical support and specifications for infrastructure related projects, such as irrigation schemes, fencing, animal handling facilities, etc., and also ensures that the service providers adhere to the correct standards and specification during implementation. This sub-sub-programme also provides for soil conservation services by developing and conducting research on new soil conservation methods that will be adaptive to climate change, as well as providing advisory services to farmers. The Disaster Management sub-sub-programme caters for the operational costs of the unit only, which provides continuous monitoring and advisory services on any potential and unusual climatic conditions. This unit will manage any disaster that may occur and oversee the implementation of any interventions required, including the submission of requests for funding to the provincial and national disaster management centres.

The Farmer Support and Development sub-programme houses the bulk of the conditional grants, funding for the Makhathini development project, extension services, as well as the fencing and irrigation scheme programmes. It must be noted that the Farmer-Settlement and Development sub-sub-programme includes the subsidy to ADA and Mjindi. The decrease in 2017/18 is as a result of the fiscal consolidation cuts, as well as the reprioritisation undertaken to fund 133 critical vacant posts in the department, resulting in a reduction of R31.786 million. This sub-programme shows low but steady growth over the 2018/19 MTEF. This sub-programme is the key service delivery programme of the department, with the budget allowing the department to facilitate, co-ordinate and provide support to smallholder and commercial farmers through sustainable agricultural development within agrarian reform initiatives. The allocation to the Security sub-sub-programme shows a significant increase in 2017/18 in line with the shift in the strategy towards providing food security support at household level. The interventions at household level will include, among others, One-Household-One-Hectare, communal gardens and distribution of various varieties of seeds/commodities to provide nutritious food throughout the year. The sub-sub-programme: Extension and Advisory Services which is also partly funded by the CASP grant, provides for extension services to farmers through the department's Extension Officers that are located at the local offices throughout KZN. The budget under this sub-sub-programme is therefore primarily for *Compensation of employees* and related costs such as travel and subsistence, the digi-pen software, as well as the utility and security services at district and local offices.

Veterinary Services provides for the acquisition of animal medicines and dipping chemicals. The increase in the 2017/18 Adjusted Appropriation is to cater for the acquisition of dipping material and chemicals that was not adequately provided for in the Main Appropriation. There is steady growth over the 2018/19 MTEF to provide veterinary services to clients in order to ensure healthy animals, safe animal products and the welfare of the people of South Africa. The sub-sub-programme: Animal Health provides for animal health technicians in the various veterinary offices to facilitate and provide animal disease control services in order to protect the animal and human population against identified infectious, zoonotic and/or economic diseases, through the implementation of the Animal Diseases Act, and primary animal health programme/projects such as dipping and vaccinations. The sub-sub-programme: Veterinary Public Health ensures the safety of meat and meat products through the implementation of the Meat Safety Act, the Animal Diseases Act, and other relevant legislation through inspections of abattoir facilities and quality control of the export of meat. The provision for the sub-sub-programme: Veterinary Laboratory Services is for the operational costs of the veterinary laboratories at Allerton in Pietermaritzburg and Vryheid, which are utilised to render veterinary diagnostic, laboratory and investigative services that will back the control of animal diseases for adherence to hygienic standards and to generate data.

The sub-programme: Research and Technology Development Services increases steadily over the seven-year period, except for the decrease in 2016/17. Specialist Agricultural Advisors were previously placed under this programme but are now placed within Extension Services. The increase in 2017/18 is to provide funding for the filling of 58 critical posts, such as Scientific Researchers and Farm Aids on the research farms and there is adequate provision in the baseline for the filling of these posts. The sub-sub-programme: Research provides for the appointment of Scientists to conduct, facilitate and co-ordinate research and to participate in multi-disciplinary development projects, as well as to disseminate information on research and technology to farmers. The department has a soil analytical laboratory at Cedara that provides critical soil analysis for farmers to enable them to maintain and enhance the fertility of the soil. The sub-sub-programme: Infrastructure Support Services provides for the maintenance and management of the six agricultural research farms that are used to conduct the above-mentioned research.

These research farms are at Cedara in uMgungundlovu, Kokstad in Harry Gwala, Dundee in uMzinyathi, as well as Makhathini, Bartlow and OSCA in uMkhanyakude.

The purpose of the Agricultural Economic Services sub-programme is to market information, facilitate marketing and provide agricultural economic services to clients. It is expected that the activities under this sub-programme will play a leading role in stimulating agri-business and related activities in the rural areas of KZN. As such, this sub-programme increases steadily over the seven-year period, and was not impacted by any budget cuts.

The Structured Agricultural Education and Training sub-programme houses the department's agricultural colleges, namely Cedara and OSCA, as well as the other agricultural colleges (Zakhe Agricultural college, Weston college, etc.). The two colleges provide an accredited two-year diploma in agriculture courses, and various FET short courses. Cedara is also accredited with UKZN and provides a three-year B. Agric degree. Funding for improving the infrastructure at these colleges is received from the CASP grant. The decrease in 2016/17 is due to the slow progress made by the various agricultural colleges in that year in revitalising their infrastructure. The slight reduction in 2018/19 is due to the agricultural school revitalisation programme, in respect of which funding commenced in 2015/16 and ends in 2017/18. The remaining allocation is mainly in respect of the appointment of lecturers and support staff, operational costs for the student farms and hostels, as well as rehabilitation/upgrading and new infrastructure for the two colleges.

Compensation of employees shows steady growth over the seven-year period, which is reflective of the annual wage adjustments, filling of critical vacant posts, as well as the implementation of the various OSDs within the department. The 10 per cent growth in 2018/19 is to provide for the filling of 78 critical vacant posts such as Engineers, Farm Aids, District Agriculture Directors, Scientific Researchers and Lecturers that commenced in 2017/18. This category will be closely monitored by the department so that any savings emanating from vacant posts can be re-directed to other areas during the year.

Goods and services includes the bulk of the conditional grant funding. This category has been negatively affected by the reduction in the conditional grants, budget cuts and the need to reprioritise to fund critical posts. The decrease in 2016/17 is also due to the funding of some projects through direct transfer, as already mentioned. There is steady growth over the 2018/19 MTEF. This category provides for the acquisition of agricultural inputs such as seeds, fertilizer, chemicals and pesticides, as well as fencing and irrigation material and supplies. The other major items are subsistence and travel for Scientists, Extension Officers and Animal Health Technicians, running costs of departmental vehicles (which were moved from Programme 1) and the payment for security and utility services at the various district and local offices.

With regard to *Transfers and subsidies*:

- *Provinces and municipalities* relates to motor vehicle and tractor licences.
- *Departmental agencies and accounts* comprises transfers made to ADA and a minimal allocation for TV and radio licences.
- *Public corporations and private enterprises* includes the transfers to Mjindi, but also includes transfers to various other entities, as well as direct transfers for certain agricultural projects. The direct transfers account for the significant increase in 2016/17 and details thereof are provided under Section 7.7 and 7.9. The 2014/15, 2015/16 and 2017/18 amounts include the transfer to Ithala to assist Ntingwe Tea Estate with their wages during the tea off-crop season. Furthermore, a new transfer payment was introduced in 2015/16 in respect of the operational costs (fuel, tractor drivers and minor repairs) of the tractors and implements transferred to the Communal Estates supported by the department for the period up to 2017/18. This category also provides for transfers for the soil conservation subsidy, agricultural show societies, and the SA Sugarcane Research Institute over the 2018/19 MTEF.
- *Non-profit institutions* provides for the transfer to agricultural schools as part of the agricultural school revitalisation programme.
- *Households* caters for staff exit costs.

Buildings and other fixed structures shows a steady decrease from 2014/15 to 2016/17 due to budget cuts, as well as the completion of projects in the Makhathini area. The decrease in 2019/20 is due to the reduction in the CASP grant allocation to fund the BPCP, as mentioned. The MTEF includes further development in the Makhathini area, agricultural colleges, as well as fencing, boreholes, stock watering dams, diptanks, etc.

Machinery and equipment shows high expenditure in 2016/17 due to the acquisition of tractors and implements to increase the fleet for the Communal Estates. The allocation shows a slight decrease over the 2018/19 MTEF due to the budget pressure to increase allocations for interventions at household and smallholder level. The allocation provides for farming equipment, irrigation equipment, departmental vehicles for the ERP, as well as office furniture and equipment at the various district and local agricultural offices.

Biological assets is primarily in respect of animals acquired for research and educational purposes and is affected by deaths, type of research to be undertaken, as well as availability of the specific breed, resulting in the fluctuating trend. Also provided for under this category is livestock for food security and smallholder livestock projects, adding to the fluctuations.

Software and other intangible assets fluctuates over the period, as this category is dependent on the need for updated software.

Service delivery measures: Agriculture

Table 3.19 shows service delivery measures pertaining to Programme 2, which are aligned to the customised measures prescribed for the Agriculture sector. In addition to the information reflected, the department reports on several measures which are not prescribed by the sector, which are not reflected here but are included in the APP. The department reviewed its service delivery measures for 2018/19, and hence a number of new targets are included, indicated by “New” in the 2017/18 column.

Table 3.19 : Service delivery measures: Agriculture

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Sustainable Resource Management					
1.1 Engineering services	<ul style="list-style-type: none"> No. of agricultural infrastructure established No. of agricultural infrastructure rehabilitated No. of km fenced 	100 47 New	85 84 300	90 90 320	95 95 350
1.2 Land use Management	<ul style="list-style-type: none"> No. of agro-ecosystem management plans developed No. of ha protected to improve agricultural production No. of farm management plans developed 	New 6 500 New	10 6 500 10	10 7 000 10	10 7 500 10
1.3 Disaster risk management	<ul style="list-style-type: none"> No. of disaster relief schemes managed No. of disaster risk reduction services managed 	3 4	1 1	3 4	3 4
1.4 Land care	<ul style="list-style-type: none"> No. of green jobs created No. of ha of agricultural land rehabilitated 	1 120 8 000	1 000 8 800	1 100 8 500	1 100 8 500
2. Farmer Support and Development					
2.1 Farmer-settlement and development	<ul style="list-style-type: none"> No. of smallholder producers supported No. of commercial farmers supported 	7 010 103	3 200 90	3 750 100	4 000 105
2.2 Extension and advisory services	<ul style="list-style-type: none"> No. of smallholder producers supported with agricultural advice No. of ha under irrigation used by smallholder farmers No. of jobs created 	30 724 6 128 832	22 500 1 429 710	25 000 1 500 800	27 000 1 510 900
2.3 Food security	<ul style="list-style-type: none"> No. of ha planted for food production No. of households supported with agricultural food production initiatives 	7 020 54 180	11 310 36 990	12 000 40 000	12 500 42 000
3. Veterinary Services					
3.1 Animal health	<ul style="list-style-type: none"> No. of visits to epidemiological units visited for veterinary interventions 	New	40 000	40 000	40 000
3.2 Veterinary export control	<ul style="list-style-type: none"> No. of export control certificates issued 	New	1 848	2 500	2 600
3.3 Veterinary public Health	<ul style="list-style-type: none"> Average percentage of compliance of all operating abattoirs in the province to the meat safety legislation 	100%	100%	100%	100%
3.4 Veterinary laboratory services	<ul style="list-style-type: none"> No. of laboratory tests performed according to prescribed standards 	65 000	65 000	72 000	76 000

Table 3.19 : Service delivery measures: Agriculture

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
4. Research and Technology Development Services					
4.1 Research	• No. of research projects implemented to improve agricultural production	96	80	80	80
4.2 Technology transfer services	• No. of scientific papers published	11	5	12	12
	• No. of research presentations made at peer reviewed events	5	11	120	120
	• No. of research presentations made at technology transfer events	101	228	228	228
4.3 Research infrastructure support	• No. of research infrastructure managed	11	6	6	6
5. Agricultural Economic Services					
5.1 Production economics and marketing support	• No. of agri-businesses supported with marketing services	20	30	40	45
	• No. of agri-businesses supported with production economic services	1 100	2 000	2 000	2 100
5.2 Macroeconomics support	• No. of economic reports compiled	4	4	4	4
5.3 Agro-processing support	• No. of agro-processing initiatives supported	10	10	20	20
6. Structured Agricultural Education and Training					
6.1 Higher Education and Training	• No. of students graduated from agricultural training institutions	90	90	90	90
6.2 Agricultural skills development	• No. of participants trained in skills development programmes in the sector	2 400	2 000	3 200	3 220
	• No. of interventions in school programmes	4	4	4	4

8.3 Programme 3: Rural Development

The programme aims to initiate, plan and monitor development in specific rural areas (comprehensive rural development project sites) across the three spheres of government, as well as facilitate rural development initiatives by engaging communities on priorities and to institutionalise and support community organisational structures. The programme has six main priorities which respond directly to the intended outcome of the mandate, which seeks to achieve vibrant, equitable, sustainable rural communities contributing toward food security for all. These six main priorities are:

- Improved land administration and spatial planning for integrated development in rural areas.
- Sustainable land reform (agrarian transformation).
- Improved food security.
- Smallholder farmer development and support (technical, financial, infrastructure) for agrarian transformation.
- Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport in rural areas.
- Growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages, increased investment in agro-processing, trade development and access to markets and financial services resulting in rural job creation.

The department did not receive additional funding for this function and has reprioritised some funds from within its budget to at least partially fund this function.

Tables 3.20 and 3.21 summarise payments and estimates for Programme 3, which conforms to the uniform budget structure of the Agriculture and Rural Development sector.

Table 3.20 : Summary of payments and estimates by sub-programme: Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Rural Development Co-ordination	-	1 089	7 999	4 848	5 978	5 978	6 415	6 934	7 478
2. Social Facilitation	-	802	6 758	26 858	24 274	24 274	25 024	25 040	26 800
Total	-	1 891	14 757	31 706	30 252	30 252	31 439	31 974	34 278

Table 3.21 : Summary of payments and estimates by economic classification: Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	1 891	11 441	31 352	27 529	27 526	28 898	29 394	31 453
Compensation of employees	-	1 542	8 112	6 946	10 678	11 277	10 499	11 346	12 251
Goods and services	-	349	3 329	24 406	16 851	16 249	18 399	18 048	19 202
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	3 028	-	2 405	2 408	2 324	2 438	2 565
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	3 000	-	44	44	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	2 224	2 224	2 324	2 438	2 565
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	28	-	137	140	-	-	-
Payments for capital assets	-	-	288	354	318	318	217	142	260
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	288	354	318	318	217	142	260
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	1 891	14 757	31 706	30 252	30 252	31 439	31 974	34 278

The Rural Development Co-ordination sub-programme aims to ensure that effective rural development co-ordination, monitoring and evaluation structures are established across all three spheres of government. The allocation provides for *Compensation of employees* and related costs and, to some extent, the hosting and co-ordination of meetings and forums.

The Social Facilitation sub-programme shows a significant increase in 2017/18 and this provides for the implementation of the UAGYP aimed at facilitating comprehensive interventions towards promoting equitable and sustainable opportunities for unemployed agricultural graduates in KZN.

The *Compensation of employees* budget over the 2018/19 MTEF is to cater for carry-through costs and anticipated wage adjustments only and no provision is made for additional posts. This will be reviewed during the year and as the structure is implemented. There are currently 11 filled posts in respect of this programme.

Goods and services provides for operational costs such as travel and subsistence, stationery, office furniture and equipment less than R5 000, as well as the implementation of the UAGYP, as mentioned above. It also provides for costs relating to the facilitation of rural development co-ordination meetings and forums.

The allocation against *Transfers and subsidies to: Higher education institutions* in 2016/17 relates to the department's contribution to the development of the CSIRD at UNIZULU. This is a once-off allocation to enable the university to establish this centre.

Transfers and subsidies to: Public corporations and private enterprise in the 2017/18 Adjusted Appropriation and 2018/19 MTEF is for the partnership with the Future Farmers Foundation in placing unemployed agriculture graduates on various farms and/or within agro-processing industry.

Machinery and equipment provides for computer and office related equipment and furniture.

Service delivery measures: Rural Development

Table 3.22 shows service delivery pertaining to Programme 3. Although there are no customised measures for this programme, the following measures are part of the set of measures published in the APP. Note that the department publishes additional measures for this programme in its annual APP. The department reviewed its service delivery measures for 2018/19, and hence two new targets are included, indicated by "New" in the 2017/18 column.

Table 3.22 : Service delivery measures: Rural Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1. Integrated Co-ordination of implementation for Rural Development						
1.1 Integrated rural development	<ul style="list-style-type: none"> Rural Development Strategy approved by the MEC Develop a KZN programme of action aligned to Outcome 7 No. of structures co-ordinated in line with Comprehensive Rural Dev. Prog. Outcome 7 performance reports submitted for the province 	New 1 New 4	1 1 4 4	1 1 4 4	1 1 4 4	
2. Rural Enterprise and Industry Development						
2.1 Maximisation of agricultural profitability for benefit of society	<ul style="list-style-type: none"> No. of irrigation scheme enterprises market strategies developed No. of business entities (incl. co-ops) equipped with rural enterprise development skills (youth, women and other) No. of projects mentored 	6 175 50	2 180 50	6 200 50	6 200 50	
2.2 Viable and sustainable agribusinesses and rural enterprises established by rural communities	<ul style="list-style-type: none"> No. of social organisations representing rural community enterprise interests supported to develop Approved investment and partnership policy for the department 	15 1	5 1	10 -	15 -	

9. Other programme information

9.1 Personnel numbers and costs

Table 3.23 illustrates personnel estimates for the department by programme from 2014/15 to 2020/21.

Table 3.23 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		Pers. growth rate	Costs growth rate	% Costs of Total
	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Filled posts	Addit. posts	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs			
R thousands																			
Salary level																			
1 – 6	1 739	-	1 416	261 030	1 326	277 806	1 281	-	1 281	270 160	1 281	291 868	1 281	315 031	1 281	339 730	0%	8%	26%
7 – 10	1 121	-	1 191	466 207	1 139	435 778	1 163	-	1 163	489 573	1 163	554 737	1 163	599 119	1 163	646 456	0%	10%	50%
11 – 12	195	-	185	131 275	170	171 930	234	-	234	159 972	234	182 761	234	197 549	234	213 337	0%	10%	16%
13 – 16	44	-	48	49 935	46	48 203	60	-	60	67 183	60	71 256	60	76 746	60	82 603	0%	7%	6%
Other	-	851 046	17	2 945	65	16 771	83	-	83	19 864	83	6 372	83	6 888	83	7 439	0%	(27.9%)	1%
Total	3 099	851 046	2 857	911 392	2 746	950 488	2 821	-	2 821	1 006 752	2 821	1 106 994	2 821	1 195 333	2 821	1 289 565	0%	9%	100%
Programme																			
1. Administration	377	173 138	352	188 954	534	192 245	555	-	555	207 715	555	223 302	555	241 093	555	260 068	0%	8%	20%
2. Agriculture	2 722	677 908	2 501	720 896	2 202	750 131	2 254	-	2 254	787 760	2 254	873 193	2 254	942 894	2 254	1 017 246	0%	9%	79%
3. Rural Development	-	-	4	1 542	10	8 112	12	-	12	11 277	12	10 499	12	11 346	12	12 251	0%	3%	1%
Total	3 099	851 046	2 857	911 392	2 746	950 488	2 821	-	2 821	1 006 752	2 821	1 106 994	2 821	1 195 333	2 821	1 289 565	0%	9%	100%
Employee dispensation classification																			
PSA appointees not covered by OSDs	-	-	-	840 538	2 600	869 554	2 675	-	2 675	919 119	2 676	1 013 730	2 676	1 096 792	2 676	1 185 545	0%	9%	92%
Legal professionals	-	-	-	2 891	4	3 277	4	-	4	3 533	3	2 184	3	2 361	3	2 550	(9.1%)	(10.3%)	0%
Engineering prof and related	-	-	-	67 963	142	77 657	142	-	142	84 100	142	91 080	142	96 180	142	101 470	0%	6%	8%
Total	-	-	-	911 392	2 746	950 488	2 821	-	2 821	1 006 752	2 821	1 106 994	2 821	1 195 333	2 821	1 289 565	0%	9%	100%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The revised structure makes provision for 3 719 posts as opposed to the previous approved establishment of 3 796 posts, a reduction of 77 posts, but the department plans to fill only 2 821 posts during 2018/19 due to the budget cuts and unavailability of funds at this stage. This proposed structure includes the provision of the Rural Development function, which was not previously catered for. As at 31 December 2017, 81 posts were filled, 59 posts were at interview stage and 51 posts were advertised internally. It is envisaged that the recruitment process for these remaining 110 posts will be finalised by 31 March 2018. The funding for these posts is included in the 2018/19 MTEF.

As is evident in the table, the number of filled posts between 2014/15 and 2016/17 is far below the approved establishment of 3 796 posts for a number of reasons, including the freezing of posts and the moratorium on the filling of posts pending the finalisation of the matching and placing of existing employees into the new organisational structure. The declining number of employees during this period is due to natural attrition and retirements. Also affecting the decrease in March 2015 against Programme 2 is

the Assistant Extension Officer programme that ended in September 2014. This programme offered contracts to undergraduates with a Diploma to gain experience and an opportunity to improve their qualification from a Diploma to a three-year Degree.

The increase in personnel numbers under Programme 1 and similar decrease under Programme 2 as at March 2017/18 is due to the new organisational structure in terms of which the support functions, such as Human Resource and Finance at regional offices, now form part of Programme 1, and no longer fall under Programme 2.

9.2 Training

Table 3.24 gives a summary of departmental spending and information on training per programme over the seven-year period. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. As the percentage spent on training exceeds three per cent of the department's baseline, this requirement is fully achieved.

Table 3.24 : Information on training: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	3 099	2 857	2 746	3 073	2 821	2 821	2 821	2 821	2 821
Number of personnel trained	2 080	2 600	2 000	1 500	1 500	1 500	2 500	2 640	2 785
of which									
Male	1 000	1 100	800	600	600	600	1 000	1 056	1 114
Female	1 080	1 500	1 200	900	900	900	1 500	1 584	1 671
Number of training opportunities	1 859	2 731	2 000	1 500	1 500	1 500	1 500	1 584	1 672
of which									
Tertiary	40	127	150	150	150	150	130	137	145
Workshops	1 800	2 500	1 746	1 226	1 226	1 226	1 266	1 337	1 411
Seminars	15	100	100	120	120	120	100	106	112
Other	4	4	4	4	4	4	4	4	4
Number of bursaries offered	40	127	195	195	195	195	206	218	230
Number of interns appointed	128	149	148	190	190	190	201	212	224
Number of learnerships appointed	-	20	20	20	20	20	11	12	13
Number of days spent on training	5 000	5 000	3 700	2 700	2 700	2 700	2 740	2 893	3 052
Payments on training by programme									
1. Administration	3 511	3 898	3 724	5 638	4 173	4 173	5 183	5 645	6 128
2. Agriculture	4 529	3 263	2 001	5 323	4 219	4 167	4 405	4 641	4 641
3. Rural Development	-	-	-	-	430	430	4 650	4 629	4 656
Total payments on training	8 040	7 161	5 725	10 961	8 822	8 770	14 238	14 915	15 425

ANNEXURE – VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

Table 3.A : Details of departmental receipts: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	19 520	18 720	16 295	19 718	19 718	20 482	19 967	20 152	21 225
Sale of goods and services produced by department (excluding capital assets)	19 518	18 717	16 291	19 718	19 718	20 481	19 965	20 150	21 223
Sales by market establishments	3 298	3 071	3 130	3 000	3 000	2 604	2 600	2 600	2 600
Administrative fees	5	26	7	404	404	263	404	405	420
Other sales	16 215	15 620	13 154	16 314	16 314	17 614	16 961	17 145	18 203
Of which									
Commission	923	916	932	950	950	960	950	950	950
Academic services	8 017	5 798	4 304	6 800	6 800	8 640	7 200	7 400	7 807
Laboratory services	4 009	4 280	4 566	5 123	5 123	4 814	5 521	5 600	5 700
Sale of goods	2 638	3 829	2 841	2 881	2 881	2 673	2 000	2 120	2 230
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	2	3	4	-	-	1	2	2	2
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	1	-	-	-	1	1	1
Interest, dividends and rent on land	369	27	79	11	11	54	20	21	22
Interest	369	27	79	11	11	54	20	21	22
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	10 594	3 323	426	4 187	4 187	4 187	4 000	4 240	4 460
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	10 594	3 323	426	4 187	4 187	4 187	4 000	4 240	4 460
Transactions in financial assets and liabilities	1 784	1 642	3 222	560	560	501	592	625	659
Total	32 267	23 712	20 023	24 476	24 476	25 224	24 580	25 039	26 367

Estimates of Provincial Revenue and Expenditure

Table 3.B : Payments and estimates by economic classification: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	1 565 342	1 738 423	1 644 912	1 806 173	1 750 425	1 760 198	1 938 325	2 068 624	2 198 595
Compensation of employees	851 046	911 392	950 488	1 125 922	1 014 970	1 006 752	1 106 994	1 195 333	1 289 565
Salaries and wages	734 304	781 300	815 014	963 999	848 852	866 688	940 190	1 015 044	1 094 884
Social contributions	116 742	130 092	135 474	161 923	166 118	140 064	166 804	180 289	194 681
Goods and services	714 125	826 804	694 322	680 176	735 078	753 069	831 241	873 200	908 938
Administrative fees	77	2 070	2 654	1 641	2 033	2 990	2 272	2 468	2 544
Advertising	9 440	5 844	4 381	6 837	4 030	3 037	6 432	1 645	2 148
Minor assets	4 348	5 806	4 860	8 633	9 688	5 209	8 557	7 578	7 338
Audit cost: External	5 324	5 765	4 151	6 352	5 248	18 748	6 640	6 914	7 198
Bursaries: Employees	793	1 451	1 165	1 603	1 453	1 453	1 070	1 089	1 125
Catering: Departmental activities	2 990	1 336	3 507	2 638	4 575	3 632	4 509	4 679	4 882
Communication (G&S)	40 538	34 983	33 670	32 256	33 902	34 057	37 130	42 545	45 626
Computer services	40 996	58 362	46 014	38 513	63 043	63 978	58 907	60 678	64 256
Cons and prof services: Business and advisory services	1 789	1 522	7 247	674	3 586	2 608	2 858	825	900
Infrastructure and planning	74 731	75 473	51 467	69 543	88 051	87 260	90 964	74 922	85 676
Laboratory services	54	53	32	471	62	103	24	25	30
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 986	1 637	1 282	2 673	2 902	2 902	3 278	3 610	3 525
Contractors	47 843	44 672	29 763	46 436	32 108	35 013	43 942	46 669	43 820
Agency and support / outsourced services	25 975	14 315	10 721	15 530	17 997	13 570	15 795	17 074	17 541
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	35 506	34 715	35 414	44 141	40 195	41 198	39 910	42 565	44 773
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	4 872	5 790	6 059	5 841	2 183	358	-	4	5
Inventory: Farming supplies	139 717	251 256	193 417	85 549	127 542	127 639	196 324	225 738	224 512
Inventory: Food and food supplies	-	2	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	6 068	2 733	1 976	3 610	3 610	2 838	3 434	3 543	3 934
Inventory: Learner and teacher support material	1 619	1 793	1 650	1 423	1 200	1 151	1 958	2 090	2 210
Inventory: Materials and supplies	5 500	4 264	6 496	7 661	37 014	24 353	25 474	26 745	27 592
Inventory: Medical supplies	523	595	254	548	1 098	686	1 127	1 071	1 027
Inventory: Medicine	17 859	30 036	32 577	18 310	12 225	14 611	8 913	10 500	11 607
Medasas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	3 599	3 883	3 469	4 295	4 295	-	-	-	-
Consumable supplies	44 875	46 946	23 947	22 939	27 128	31 491	24 443	23 706	24 159
Consumable: Stationery, printing and office supplies	8 120	8 032	3 977	10 248	7 961	6 662	8 718	8 729	9 222
Operating leases	25 647	29 284	30 603	33 697	32 611	34 936	48 007	52 510	57 519
Property payments	61 046	64 253	71 046	99 639	90 103	101 664	84 323	88 197	106 937
Transport provided: Departmental activity	282	281	340	320	-	-	8 473	10 356	-
Travel and subsistence	78 054	71 774	65 499	85 136	61 059	72 609	76 461	81 261	82 363
Training and development	8 040	7 161	5 725	10 961	8 822	8 770	14 238	14 915	15 425
Operating payments	8 874	9 784	8 754	10 196	6 011	7 974	5 947	9 331	9 884
Venues and facilities	6 686	873	2 195	1 862	3 298	1 554	1 050	1 168	1 093
Rental and hiring	354	60	10	-	45	15	63	50	67
Interest and rent on land	171	227	102	75	377	377	90	91	92
Interest	108	157	102	-	302	302	-	-	-
Rent on land	63	70	-	75	75	75	90	91	92
Transfers and subsidies	219 116	246 968	275 994	269 631	292 873	293 660	208 699	212 983	223 190
Provinces and municipalities	1 237	1 313	1 278	1 586	1 598	1 598	2 092	2 159	2 216
Provinces	1 203	1 300	1 278	1 546	1 546	1 546	2 058	2 121	2 176
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 203	1 300	1 278	1 546	1 546	1 546	2 058	2 121	2 176
Municipalities	34	13	-	40	52	52	34	38	40
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	34	13	-	40	52	52	34	38	40
Departmental agencies and accounts	108 351	101 306	97 000	137 820	124 207	124 207	122 838	129 357	136 170
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	108 351	101 306	97 000	137 820	124 207	124 207	122 838	129 357	136 170
Higher education institutions	-	-	3 000	-	44	44	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	91 962	112 091	155 526	106 798	141 498	141 498	74 230	71 903	75 146
Public corporations	71 896	62 699	73 505	56 001	67 324	67 324	58 801	62 094	65 509
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	71 896	62 699	73 505	56 001	67 324	67 324	58 801	62 094	65 509
Private enterprises	20 066	49 392	82 021	50 797	74 174	74 174	15 429	9 809	9 637
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	20 066	49 392	82 021	50 797	74 174	74 174	15 429	9 809	9 637
Non-profit institutions	5 300	13 770	3 569	11 023	11 023	11 023	-	-	-
Households	12 266	18 488	15 621	12 404	14 503	15 290	9 539	9 564	9 658
Social benefits	12 206	15 378	11 605	8 104	10 203	10 990	4 839	4 564	4 558
Other transfers to households	60	3 110	4 016	4 300	4 300	4 300	4 700	5 000	5 100
Payments for capital assets	215 178	213 177	293 622	121 340	153 846	156 786	177 084	148 434	169 577
Buildings and other fixed structures	182 814	172 688	163 282	77 897	111 070	114 150	130 547	100 832	121 689
Buildings	3 654	8 548	6 650	26 759	26 759	34 411	68 837	57 740	60 053
Other fixed structures	179 160	164 140	156 632	51 138	84 311	79 739	61 710	43 092	61 636
Machinery and equipment	32 180	40 139	130 120	42 715	41 268	41 128	45 987	47 032	47 318
Transport equipment	20 481	17 896	18 030	18 938	18 938	18 938	20 351	21 923	22 931
Other machinery and equipment	11 699	22 243	112 090	23 777	22 330	22 190	25 636	25 109	24 387
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	350	169	668	872	872	550	570	570
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	39	-	51	60	636	636	-	-	-
Payments for financial assets	3 408	619	1 838	-	-	-	-	-	-
Total	2 003 044	2 199 187	2 216 366	2 197 144	2 197 144	2 210 644	2 324 108	2 430 041	2 591 362

Table 3.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	358 916	391 822	412 181	451 954	459 316	471 229	476 750	508 101	542 527
Compensation of employees	173 138	188 954	192 245	229 785	210 860	207 715	223 302	241 093	260 068
Salaries and wages	149 946	162 487	165 772	197 382	178 220	180 733	190 924	206 102	222 291
Social contributions	23 192	26 467	26 473	32 403	32 640	26 982	32 378	34 991	37 777
Goods and services	185 701	202 817	219 850	222 169	248 154	263 212	253 448	267 008	282 459
Administrative fees	1	995	1 031	583	893	1 057	614	660	710
Advertising	9 440	5 792	4 309	6 557	2 942	2 017	6 341	1 605	2 103
Minor assets	1 579	2 317	1 922	1 754	2 182	1 151	1 968	2 073	2 056
Audit cost: External	5 324	5 765	4 019	6 352	5 248	18 748	6 500	6 764	7 038
Bursaries: Employees	204	1 260	1 144	1 024	874	874	850	869	900
Catering: Departmental activities	778	550	986	842	842	966	1 456	1 489	1 570
Communication (G&S)	26 766	26 139	22 503	18 386	26 964	24 880	28 622	33 272	36 157
Computer services	39 951	47 305	42 252	35 168	58 274	58 781	52 308	55 458	58 331
Cons and prof serv: Business and advisory services	1 789	1 472	224	674	1 586	608	2 418	440	455
Infrastructure and planning	744	1 651	160	817	2 252	2 109	252	267	281
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 986	1 637	1 282	2 673	2 902	2 902	3 278	3 610	3 525
Contractors	11 024	12 372	11 257	10 322	11 644	14 747	14 810	15 927	13 090
Agency and support / outsourced services	442	242	270	293	764	490	-	10	20
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	3 406	5 337	32 342	10 737	8 640	8 710	6 660	7 270	7 672
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	430	1 825	2 641	3 658	-	355	-	-	-
Inventory: Farming supplies	-	-	25	-	150	150	501	545	590
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	2	4	1	26	26	2	-	-	-
Inventory: Learner and teacher support material	172	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	504	591	3 056	628	628	44	21	22	23
Inventory: Medical supplies	78	-	-	2	2	2	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 969	1 255	1 712	1 436	13 238	14 574	7 469	5 764	6 341
Consumable: Stationery, printing and office supplies	5 209	4 897	2 150	6 109	4 650	4 379	4 701	4 298	4 850
Operating leases	21 804	26 009	27 710	28 921	28 921	31 291	43 963	48 222	53 008
Property payments	29 322	33 118	37 584	58 669	50 917	47 285	43 503	46 167	50 841
Transport provided: Departmental activity	15	-	-	-	-	-	-	-	-
Travel and subsistence	16 617	15 959	15 670	19 088	17 660	18 914	19 947	21 543	21 489
Training and development	3 511	3 898	3 724	5 638	4 173	4 173	5 183	5 645	6 128
Operating payments	1 837	1 625	980	1 327	1 327	3 648	1 503	4 566	4 891
Venues and facilities	457	802	886	485	455	340	570	522	373
Rental and hiring	340	-	10	-	-	15	10	-	17
Interest and rent on land	77	51	86	-	302	302	-	-	-
Interest	77	51	86	-	302	302	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 142	7 327	8 971	8 561	9 523	9 724	8 713	9 348	9 819
Provinces and municipalities	619	1 147	1 278	850	850	850	1 180	1 200	1 210
Provinces	619	1 147	1 278	850	850	850	1 180	1 200	1 210
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	619	1 147	1 278	850	850	850	1 180	1 200	1 210
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 938	1 805	2 418	2 871	2 871	2 871	2 823	3 048	3 289
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1 938	1 805	2 418	2 871	2 871	2 871	2 823	3 048	3 289
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	5	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	5	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 585	4 370	5 275	4 840	5 802	6 003	4 710	5 100	5 320
Social benefits	2 585	1 260	1 259	540	1 502	1 703	10	100	220
Other transfers to households	-	3 110	4 016	4 300	4 300	4 300	4 700	5 000	5 100
Payments for capital assets	22 660	32 780	34 448	49 649	48 238	48 238	47 342	50 295	52 852
Buildings and other fixed structures	6 140	10 705	6 650	26 759	26 759	26 759	27 789	29 345	30 959
Buildings	3 654	8 548	6 650	26 759	26 759	26 759	27 789	29 345	30 959
Other fixed structures	2 486	2 157	-	-	-	-	-	-	-
Machinery and equipment	16 520	22 075	27 747	22 890	21 479	21 479	19 553	20 950	21 893
Transport equipment	13 228	13 958	16 050	16 400	16 400	16 400	17 351	18 323	19 331
Other machinery and equipment	3 292	8 117	11 697	6 490	5 079	5 079	2 202	2 627	2 562
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	51	-	-	-	-	-	-
Payments for financial assets	3 408	619	1 819	-	-	-	-	-	-
Total	390 126	432 548	457 419	510 164	517 077	529 191	532 805	567 744	605 198

Estimates of Provincial Revenue and Expenditure

Table 3.D : Payments and estimates by economic classification: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	1 206 426	1 344 710	1 221 290	1 322 867	1 263 580	1 261 443	1 432 677	1 531 129	1 624 615
Compensation of employees	677 908	720 896	750 131	889 191	793 432	787 760	873 193	942 894	1 017 246
Salaries and wages	584 358	617 402	641 834	760 504	660 969	675 693	740 178	799 121	861 989
Social contributions	93 550	103 494	108 297	128 687	132 463	112 067	133 015	143 773	155 257
Goods and services	528 424	623 638	471 143	433 601	470 073	473 608	559 394	588 144	607 277
Administrative fees	76	1 066	1 601	1 002	1 099	1 888	1 639	1 786	1 809
Advertising	-	52	72	280	88	20	71	30	35
Minor assets	2 769	3 489	2 899	6 683	7 433	4 015	6 578	5 476	5 267
Audit cost: External	-	-	132	-	-	-	140	150	160
Bursaries: Employees	589	191	21	579	579	579	100	100	100
Catering: Departmental activities	2 212	786	2 397	1 244	3 522	2 478	2 436	2 527	2 614
Communication (G&S)	13 772	8 844	10 926	13 708	6 733	8 950	8 343	9 104	9 296
Computer services	1 045	11 057	3 762	3 345	4 269	4 697	6 599	5 220	5 925
Cons and prof serv: Business and advisory services	-	50	7 022	-	-	-	90	85	95
Infrastructure and planning	73 987	73 822	51 307	46 978	76 564	76 518	81 978	66 686	76 557
Laboratory services	54	53	32	471	62	103	24	25	30
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	36 819	32 300	18 345	36 114	20 204	20 013	29 057	30 667	30 650
Agency and support / outsourced services	25 533	14 073	10 451	15 237	17 233	13 080	15 795	17 064	17 521
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	32 100	29 378	3 064	33 182	31 487	32 480	33 250	35 295	37 101
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	4 442	3 965	3 418	2 183	2 183	3	-	4	5
Inventory: Farming supplies	139 717	251 256	193 392	85 549	127 392	127 489	195 823	225 193	223 922
Inventory: Food and food supplies	-	2	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	6 066	2 729	1 975	3 584	3 584	2 836	3 434	3 543	3 934
Inventory: Learner and teacher support material	1 447	1 793	1 650	1 423	1 200	1 151	1 958	2 080	2 210
Inventory: Materials and supplies	4 996	3 673	3 439	7 033	36 368	24 291	25 453	26 723	27 569
Inventory: Medical supplies	445	595	254	546	1 096	684	1 127	1 071	1 027
Inventory: Medicine	17 859	30 036	32 577	18 310	12 225	14 611	8 913	10 500	11 607
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	3 599	3 883	3 469	4 295	4 295	-	-	-	-
Consumable supplies	42 906	45 691	21 608	21 503	12 984	16 001	16 435	17 369	17 214
Consumable: Stationery, printing and office supplies	2 911	3 135	1 796	4 031	3 247	2 239	3 981	4 384	4 317
Operating leases	3 843	3 275	2 826	4 664	3 583	3 861	3 861	4 100	4 316
Property payments	31 724	31 135	33 462	40 970	39 186	54 379	40 820	42 030	56 096
Transport provided: Departmental activity	267	281	-	320	-	-	8 473	10 356	-
Travel and subsistence	61 437	55 475	48 918	65 042	42 107	52 176	54 206	57 154	58 190
Training and development	4 529	3 263	2 001	5 323	4 219	4 167	4 405	4 641	4 641
Operating payments	7 037	8 159	7 418	8 818	4 674	4 326	4 392	4 684	4 911
Venues and facilities	6 229	71	909	1 184	2 412	873	-	87	158
Rental and hiring	14	60	-	-	45	-	13	-	-
Interest and rent on land	94	176	16	75	75	75	90	91	92
Interest	31	106	16	-	-	-	-	-	-
Rent on land	63	70	-	75	75	75	90	91	92
Transfers and subsidies	213 974	239 641	263 995	261 070	280 945	281 528	197 662	201 197	210 806
Provinces and municipalities	618	166	-	736	748	748	912	959	1 006
Provinces	584	153	-	696	696	696	878	921	966
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	584	153	-	696	696	696	878	921	966
Municipalities	34	13	-	40	52	52	34	38	40
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	34	13	-	40	52	52	34	38	40
Departmental agencies and accounts	106 413	99 501	94 582	134 949	121 336	121 336	120 015	126 309	132 881
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	106 413	99 501	94 582	134 949	121 336	121 336	120 015	126 309	132 881
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	91 962	112 086	155 526	106 798	139 274	139 274	71 906	69 465	72 581
Public corporations	71 896	62 699	73 505	56 001	67 324	67 324	58 801	62 094	65 509
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	71 896	62 699	73 505	56 001	67 324	67 324	58 801	62 094	65 509
Private enterprises	20 066	49 387	82 021	50 797	71 950	71 950	13 105	7 371	7 072
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	20 066	49 387	82 021	50 797	71 950	71 950	13 105	7 371	7 072
Non-profit institutions	5 300	13 770	3 569	11 023	11 023	11 023	-	-	-
Households	9 681	14 118	10 318	7 564	8 564	9 147	4 829	4 464	4 338
Social benefits	9 621	14 118	10 318	7 564	8 564	9 147	4 829	4 464	4 338
Other transfers to households	60	-	-	-	-	-	-	-	-
Payments for capital assets	192 518	180 397	258 886	71 337	105 290	108 230	129 525	97 997	116 465
Buildings and other fixed structures	176 674	161 983	156 632	51 138	84 311	87 391	102 758	71 487	90 730
Buildings	-	-	-	-	-	7 652	41 048	28 395	29 094
Other fixed structures	176 674	161 983	156 632	51 138	84 311	79 739	61 710	43 092	61 636
Machinery and equipment	15 660	18 064	102 085	19 471	19 471	19 331	26 217	25 940	25 165
Transport equipment	7 253	3 938	1 980	2 538	2 538	2 538	3 000	3 600	3 600
Other machinery and equipment	8 407	14 126	100 105	16 933	16 933	16 793	23 217	22 340	21 565
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	350	169	668	872	872	550	570	570
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	39	-	-	60	636	636	-	-	-
Payments for financial assets	-	-	19	-	-	-	-	-	-
Total	1 612 918	1 764 748	1 744 190	1 655 274	1 649 815	1 651 201	1 759 864	1 830 323	1 951 886

Table 3.E : Details of payments and estimates by economic classification - Sub-programme: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	70 594	72 837	72 580	98 142	75 906	80 460	82 129	88 349	93 383
Compensation of employees	24 503	29 390	27 947	47 832	23 790	28 344	37 168	40 118	43 267
Salaries and wages	21 500	26 300	25 432	41 727	20 824	25 888	31 993	34 529	37 235
Social contributions	3 003	3 090	2 515	6 105	2 966	2 456	5 175	5 589	6 032
Goods and services	46 091	43 447	44 633	50 310	52 116	52 116	44 961	48 231	50 116
Administrative fees	-	117	155	108	115	151	141	166	171
Advertising	-	45	53	-	-	-	-	-	-
Minor assets	41	60	114	474	70	93	60	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	219	174	202	276	337	352	750	750	750
Communication (G&S)	275	252	784	394	463	480	460	449	472
Computer services	941	740	-	1 123	442	442	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infras and planning	23 057	29 464	30 620	32 179	30 732	30 686	28 342	30 957	31 756
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and tech services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	1 417	234	7	1 691	200	13	50	50	50
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	1	26	94	-	93	103	84	89	100
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 587	1 281	2 910	1 893	1 893	-	-	-	-
Inventory: Farming supplies	2 399	1 187	916	1 763	6 055	6 055	2 970	3 170	3 775
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	333	472	424	1 148	4 665	4 602	3 750	3 750	3 750
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	5 942	2 883	3 266	2 128	2 492	4 345	3 390	3 693	3 906
Consumable: Stationery, printing and office supplies	112	238	126	224	273	144	292	329	360
Operating leases	89	81	170	112	259	250	300	320	330
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	5 175	5 833	4 631	6 176	3 753	4 180	4 019	4 163	4 319
Training and development	136	111	76	162	197	143	192	192	192
Operating payments	230	249	85	285	77	77	161	153	185
Venues and facilities	4 137	-	-	174	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 702	1 931	1 631	2 213	2 173	2 201	1 817	2 119	1 919
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 269	1 500	1 604	1 717	1 717	1 717	1 817	1 919	1 919
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	1 269	1 500	1 604	1 717	1 717	1 717	1 817	1 919	1 919
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	1 269	1 500	1 604	1 717	1 717	1 717	1 817	1 919	1 919
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	433	431	27	496	456	484	-	200	-
Social benefits	433	431	27	496	456	484	-	200	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	5 164	724	185	1 135	2 339	2 339	1 230	1 080	1 019
Buildings and other fixed structures	3 968	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	3 968	-	-	-	-	-	-	-	-
Machinery and equipment	1 196	724	185	1 135	1 703	1 703	1 230	1 080	1 019
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 196	724	185	1 135	1 703	1 703	1 230	1 080	1 019
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	636	636	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	77 460	75 492	74 396	101 490	80 418	85 000	85 176	91 548	96 321

Table 3.F : Details of payments and estimates by economic classification - Sub-programme: Farmer Support and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	711 525	860 486	741 124	780 262	710 111	719 335	854 532	911 251	964 886
Compensation of employees	368 104	396 545	426 763	511 337	432 159	434 908	474 261	512 091	552 442
Salaries and wages	315 508	337 680	363 259	437 295	355 102	371 149	401 331	433 262	467 315
Social contributions	52 596	58 865	63 504	74 042	77 057	63 759	72 930	78 829	85 127
Goods and services	343 396	463 842	314 349	268 925	277 952	284 427	380 271	399 160	412 444
Administrative fees	-	383	477	281	98	578	425	486	460
Advertising	-	-	-	280	68	-	6	-	-
Minor assets	1 364	2 788	2 325	3 987	6 217	2 675	5 229	5 054	4 887
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	589	191	21	579	579	579	100	100	100
Catering: Departmental activities	1 836	544	2 135	725	2 940	2 004	1 564	1 665	1 739
Communication (G&S)	12 066	7 669	8 779	11 288	5 095	7 320	6 498	7 188	7 291
Computer services	-	10 200	3 112	1 998	2 587	3 036	5 764	4 200	4 880
Cons & prof serv: Business and advisory services	-	50	7 022	-	-	-	-	-	-
Infras and planning	50 451	44 358	20 687	14 799	45 832	45 832	53 636	35 729	44 801
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and tech services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	28 835	26 166	12 122	27 586	13 472	13 472	22 307	23 476	23 782
Agency and support / outsourced services	16 844	4 775	232	4 368	2 261	5	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	29 756	26 799	95	30 336	29 098	29 541	30 562	32 133	33 675
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 258	1 014	49	290	290	-	-	-	-
Inventory: Farming supplies	85 369	236 479	183 940	73 400	87 691	87 691	158 142	186 600	183 993
Inventory: Food and food supplies	-	2	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	4 330	311	68	1 178	882	227	280	299	314
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	2 593	552	1 856	3 097	28 584	16 855	18 600	19 643	20 555
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	12 711	9 808	865	12 167	354	354	513	542	571
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	34 689	39 517	15 550	15 690	3 103	2 540	5 513	5 920	5 905
Consumable: Stationery, printing and office supplies	1 132	1 387	1 073	1 600	1 365	1 061	1 923	2 118	1 944
Operating leases	2 443	1 895	1 649	2 772	1 911	1 911	2 120	2 199	2 283
Property payments	19 293	16 607	18 543	23 046	20 460	35 663	23 446	24 105	37 506
Transport provided: Departmental activity	267	281	-	320	-	-	8 473	10 356	-
Travel and subsistence	27 768	26 461	26 021	28 704	17 248	26 623	28 517	30 256	30 563
Training and development	3 561	127	1 925	4 037	2 898	2 898	4 213	4 449	4 449
Operating payments	4 407	5 347	4 894	5 387	2 569	2 689	2 440	2 559	2 688
Venues and facilities	1 834	71	909	1 010	2 305	873	-	87	58
Rental and hiring	-	60	-	-	45	-	-	-	-
Interest and rent on land	25	99	12	-	-	-	-	-	-
Interest	25	99	12	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	204 975	218 559	255 248	246 624	265 179	265 452	194 093	198 046	207 743
Provinces and municipalities	584	153	-	696	696	696	878	921	966
Provinces	584	153	-	696	696	696	878	921	966
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	584	153	-	696	696	696	878	921	966
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	106 412	99 500	94 581	134 948	121 335	121 335	120 014	126 308	132 880
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	106 412	99 500	94 581	134 948	121 335	121 335	120 014	126 308	132 880
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	90 693	110 586	153 922	105 081	137 557	137 557	70 089	67 546	70 662
Public corporations	71 896	62 699	73 505	56 001	67 324	67 324	58 801	62 094	65 509
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	71 896	62 699	73 505	56 001	67 324	67 324	58 801	62 094	65 509
Private enterprises	18 797	47 887	80 417	49 080	70 233	70 233	11 288	5 452	5 153
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	18 797	47 887	80 417	49 080	70 233	70 233	11 288	5 452	5 153
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 286	8 320	6 745	5 899	5 591	5 864	3 112	3 271	3 235
Social benefits	7 286	8 320	6 745	5 899	5 591	5 864	3 112	3 271	3 235
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	162 509	156 794	236 884	40 185	74 249	74 249	97 724	66 028	83 990
Buildings and other fixed structures	155 612	141 974	138 141	32 067	65 785	65 785	83 840	51 564	69 812
Buildings	-	-	-	-	-	-	23 130	9 541	9 245
Other fixed structures	155 612	141 974	138 141	32 067	65 785	65 785	60 710	42 023	60 567
Machinery and equipment	6 752	14 820	98 692	8 090	8 114	8 114	13 884	14 464	14 178
Transport equipment	4 460	3 938	1 980	2 538	2 538	2 538	3 000	3 600	3 600
Other machinery and equipment	2 292	10 882	96 712	5 552	5 576	5 576	10 884	10 864	10 578
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	-	51	28	350	350	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	9	-	-	-	-	-	-
Total	1 079 009	1 235 839	1 233 265	1 067 071	1 049 539	1 059 036	1 146 349	1 175 325	1 256 619

Table 3.G : Details of payments and estimates by economic classification - Sub-programme: Veterinary Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	170 367	152 604	164 274	161 793	181 700	175 472	196 214	210 175	224 574
Compensation of employees	101 537	111 217	115 526	133 181	131 182	124 954	142 401	153 783	165 926
Salaries and wages	87 553	95 342	98 805	114 747	110 888	107 598	121 477	131 167	141 504
Social contributions	13 984	15 875	16 721	18 434	20 294	17 356	20 924	22 616	24 422
Goods and services	68 830	41 387	48 748	28 612	50 518	50 518	53 813	56 392	58 648
Administrative fees	21	233	516	314	314	481	517	538	543
Advertising	-	7	-	-	-	-	15	-	-
Minor assets	124	148	153	626	265	473	154	110	126
Audit cost: External	-	-	132	-	-	-	140	150	160
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	34	43	-	40	30	10	20	30	40
Communication (G&S)	389	234	441	567	517	311	375	398	415
Computer services	7	-	13	56	550	550	260	280	300
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infras and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	26	26	-	-	-
Scientific and tech services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	485	546	844	579	964	964	656	662	557
Agency and support / outsourced services	541	635	566	645	1 318	1 239	1 347	1 399	1 422
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	21	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	422	281	39	-	-	-	-	-	-
Inventory: Farming supplies	43 260	3 716	972	-	17 888	18 588	23 041	23 244	24 032
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	189	207	78	280	247	247	201	204	215
Inventory: Learner and teacher support material	9	7	-	112	-	-	-	-	-
Inventory: Materials and supplies	85	85	12	280	102	71	-	-	-
Inventory: Medical supplies	436	532	242	521	1 044	663	1 062	1 008	959
Inventory: Medicine	4 570	19 851	31 595	5 453	11 421	13 842	7 817	9 298	10 344
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	2 118	2 736	2 509	2 527	2 527	-	-	-	-
Consumable supplies	128	211	118	1 124	2 931	2 962	3 810	3 838	3 664
Consumable: Stationery, printing and office supplies	448	451	240	674	739	335	692	765	760
Operating leases	144	138	93	230	256	236	233	262	263
Property payments	88	90	142	224	263	263	203	201	209
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	13 781	9 566	8 166	12 443	7 740	8 480	12 267	12 798	13 364
Training and development	-	-	-	-	-	2	-	-	-
Operating payments	1 551	1 649	1 877	1 917	1 376	775	1 003	1 207	1 275
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	5 865	2 093	1 415	340	1 231	1 361	965	876	978
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	1	1	1	1	1	1	1	1
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	1	1	1	1	1	1	1	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 300	-	-	-	-	-	-	-	-
Households	564	2 092	1 414	339	1 230	1 360	964	875	977
Social benefits	564	2 092	1 414	339	1 230	1 360	964	875	977
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	6 285	8 389	10 644	1 215	2 309	2 309	1 515	1 009	1 042
Buildings and other fixed structures	5 277	7 453	9 912	-	1 110	1 110	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	5 277	7 453	9 912	-	1 110	1 110	-	-	-
Machinery and equipment	1 008	936	732	1 215	1 199	1 199	1 515	1 009	1 042
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 008	936	732	1 215	1 199	1 199	1 515	1 009	1 042
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	182 517	163 086	176 333	163 348	185 240	179 142	198 694	212 060	226 594

Table 3.H : Details of payments and estimates by economic classification - Sub-programme: Research and Technology Development Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	163 619	171 966	166 664	176 118	199 691	196 736	195 545	209 782	223 321
Compensation of employees	124 665	133 389	133 196	129 579	149 691	146 990	156 270	168 760	182 082
Salaries and wages	107 631	115 061	114 383	109 916	128 577	125 921	132 147	142 683	153 920
Social contributions	17 034	18 328	18 813	19 663	21 114	21 069	24 123	26 077	28 162
Goods and services	38 890	38 506	33 465	46 464	49 925	49 671	39 185	40 931	41 147
Administrative fees	2	93	93	112	145	133	114	119	125
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	472	154	136	1 041	373	345	450	312	254
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	123	16	48	147	147	49	81	82	85
Communication (G&S)	377	217	327	667	215	360	310	326	339
Computer services	97	111	586	168	440	433	340	500	500
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	90	85	95
Infras and planning	-	-	-	-	-	-	-	-	-
Laboratory services	54	53	32	471	36	77	24	25	30
Scientific and tech services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	3 202	3 650	5 011	3 821	5 178	5 178	5 396	5 704	5 461
Agency and support / outsourced services	63	115	41	112	359	46	200	210	220
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	430	322	471	563	416	568	442	457	479
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 019	1 174	392	-	-	-	-	-	-
Inventory: Farming supplies	5 764	6 207	5 614	6 878	10 841	12 720	7 959	8 244	7 987
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	1 496	1 917	1 780	1 966	2 403	2 314	2 793	2 955	3 315
Inventory: Learner and teacher support material	4	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1 766	2 485	1 097	2 247	2 817	2 563	2 903	3 200	3 124
Inventory: Medical supplies	9	54	12	25	50	19	60	63	68
Inventory: Medicine	287	68	61	343	360	360	348	370	392
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	1 481	1 147	960	1 768	1 768	-	-	-	-
Consumable supplies	1 506	2 558	2 189	1 796	3 818	5 586	3 057	3 193	2 979
Consumable: Stationery, printing and office supplies	287	396	227	421	364	239	294	349	392
Operating leases	355	357	323	482	440	440	486	514	532
Property payments	9 498	7 562	7 307	10 440	10 404	10 228	8 888	9 284	9 840
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	9 996	9 321	6 298	12 090	8 903	7 715	4 453	4 480	4 489
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	588	529	460	906	448	298	497	459	441
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	14	-	-	-	-	-	-	-	-
Interest and rent on land	64	71	3	75	75	75	90	91	92
Interest	1	1	3	-	-	-	-	-	-
Rent on land	63	70	-	75	75	75	90	91	92
Transfers and subsidies to	1 010	2 398	1 661	580	622	762	435	118	126
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 010	2 398	1 661	580	622	762	435	118	126
Social benefits	1 010	2 398	1 661	580	622	762	435	118	126
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	5 361	7 550	2 550	15 150	13 069	13 069	16 382	16 776	16 970
Buildings and other fixed structures	2 144	5 627	182	6 458	4 803	4 803	6 780	7 119	7 474
Buildings	-	-	-	-	-	-	6 780	7 119	7 474
Other fixed structures	2 144	5 627	182	6 458	4 803	4 803	-	-	-
Machinery and equipment	3 217	1 573	2 250	8 134	7 744	7 744	9 052	9 087	8 926
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 217	1 573	2 250	8 134	7 744	7 744	9 052	9 087	8 926
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	350	118	558	522	522	550	570	570
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	6	-	-	-	-	-	-
Total	169 990	181 914	170 881	191 848	213 382	210 567	212 362	226 676	240 417

Table 3.1 : Details of payments and estimates by economic classification - Sub-programme: Agricultural Economic Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation 2017/18	Estimate	2018/19	2019/20	2020/21
Current payments	6 262	5 660	4 978	8 022	8 592	9 510	10 679	11 540	12 480
Compensation of employees	5 491	5 203	4 147	7 100	7 561	8 225	9 091	9 823	10 605
Salaries and wages	4 818	4 656	3 864	6 305	6 805	7 552	7 965	8 606	9 291
Social contributions	673	547	283	795	756	673	1 126	1 217	1 314
Goods and services	771	457	831	922	1 031	1 285	1 588	1 717	1 875
Administrative fees	-	2	10	3	10	35	12	13	14
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	2	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	12	-	12	7	21	-	-
Communication (G&S)	8	20	121	8	106	92	127	135	141
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infras and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and tech services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	1	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	21	40	-	12	27	44	47	50
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	3	-	-	3	-	4	5
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	1	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	6	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	27	-	37	40	100	120	125
Consumable: Stationery, printing and office supplies	70	-	-	84	15	15	25	28	31
Operating leases	-	-	4	-	61	52	52	55	58
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	692	414	606	826	670	1 012	1 205	1 315	1 351
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	1	-	-	1	1	2	-	-	-
Venues and facilities	-	-	-	-	107	-	-	-	100
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	39	69	-	109	109	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	39	69	-	109	109	-	-	-
Social benefits	-	39	69	-	109	109	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	41	41	41	67	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	41	41	41	67	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	41	41	41	67	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	6 262	5 699	5 047	8 063	8 742	9 660	10 746	11 540	12 480

Table 3.J : Details of payments and estimates by economic classification - Sub-programme: Structured Agricultural Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	84 059	81 157	71 670	98 530	87 580	79 930	93 578	100 032	105 971
Compensation of employees	53 608	45 152	42 552	60 162	49 049	44 339	54 002	58 319	62 924
Salaries and wages	47 348	38 363	36 091	50 514	38 773	37 585	45 265	48 874	52 724
Social contributions	6 260	6 789	6 461	9 648	10 276	6 754	8 737	9 445	10 200
Goods and services	30 446	35 999	29 117	38 368	38 531	35 591	39 576	41 713	43 047
Administrative fees	53	238	350	184	417	510	430	464	496
Advertising	-	-	19	-	20	20	50	30	35
Minor assets	768	339	171	555	508	429	683	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	9	-	56	56	56	-	-	-
Communication (G&S)	657	452	474	784	337	387	573	608	638
Computer services	-	6	51	-	250	236	235	240	245
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infras and planning	479	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and tech services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	2 880	1 704	360	2 437	390	386	648	775	800
Agency and support / outsourced services	8 085	8 548	9 612	10 112	13 295	11 790	14 248	15 455	15 879
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	1 913	2 189	2 364	2 283	1 868	2 241	2 118	2 569	2 797
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	156	215	25	-	-	-	-	-	-
Inventory: Farming supplies	2 925	3 667	1 950	3 508	4 917	2 435	3 711	3 935	4 135
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	51	294	48	160	52	48	160	85	90
Inventory: Learner and teacher support material	1 434	1 786	1 650	1 311	1 200	1 151	1 958	2 090	2 210
Inventory: Materials and supplies	219	79	44	261	200	200	200	130	140
Inventory: Medical supplies	-	9	-	-	2	2	5	-	-
Inventory: Medicine	291	309	56	347	90	55	235	290	300
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	641	522	458	765	603	528	565	605	635
Consumable: Stationery, printing and office supplies	862	663	130	1 028	491	445	755	795	830
Operating leases	812	804	587	1 068	656	672	670	750	850
Property payments	2 845	6 876	7 470	7 260	8 059	8 225	8 283	8 440	8 541
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	4 025	3 880	3 196	4 803	3 793	4 166	3 745	4 142	4 104
Training and development	832	3 025	-	1 124	1 124	1 124	-	-	-
Operating payments	260	385	102	322	203	485	291	310	322
Venues and facilities	258	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	13	-	-
Interest and rent on land	5	6	1	-	-	-	-	-	-
Interest	5	6	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	422	14 621	3 971	11 313	11 631	11 643	352	38	40
Provinces and municipalities	34	13	-	40	52	52	34	38	40
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	34	13	-	40	52	52	34	38	40
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	34	13	-	40	52	52	34	38	40
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	13 770	3 569	11 023	11 023	11 023	-	-	-
Households	388	838	402	250	556	568	318	-	-
Social benefits	328	838	402	250	556	568	318	-	-
Other transfers to households	60	-	-	-	-	-	-	-	-
Payments for capital assets	13 199	6 940	8 623	13 611	13 283	16 223	12 607	13 104	13 444
Buildings and other fixed structures	9 673	6 929	8 397	12 613	12 613	15 693	12 138	12 804	13 444
Buildings	-	-	-	-	-	7 652	11 138	11 735	12 375
Other fixed structures	9 673	6 929	8 397	12 613	12 613	8 041	1 000	1 069	1 069
Machinery and equipment	3 487	11	226	856	670	530	469	300	-
Transport equipment	2 793	-	-	-	-	-	-	-	-
Other machinery and equipment	694	11	226	856	670	530	469	300	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	82	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	39	-	-	60	-	-	-	-	-
Payments for financial assets	-	-	4	-	-	-	-	-	-
Total	97 680	102 718	84 268	123 454	112 494	107 796	106 537	113 174	119 455

Table 3.K : Payments and estimates by economic classification: Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	-	1 891	11 441	31 352	27 529	27 526	28 898	29 394	31 453
Compensation of employees	-	1 542	8 112	6 946	10 678	11 277	10 499	11 346	12 251
Salaries and wages	-	1 411	7 408	6 113	9 663	10 262	9 088	9 821	10 604
Social contributions	-	131	704	833	1 015	1 015	1 411	1 525	1 647
Goods and services	-	349	3 329	24 406	16 851	16 249	18 399	18 048	19 202
Administrative fees	-	9	22	56	41	45	19	22	25
Advertising	-	-	-	-	1 000	1 000	20	10	10
Minor assets	-	-	39	196	73	43	11	29	15
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	120	120	125
Catering: Departmental activities	-	-	124	552	211	188	617	663	698
Communication (G&S)	-	-	241	162	205	227	165	169	173
Computer services	-	-	-	-	500	500	-	-	-
Cons and prof serv: Business and advisory services	-	-	1	-	2 000	2 000	350	300	350
Infrastructure and planning	-	-	-	21 748	9 235	8 633	8 734	7 969	8 838
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	161	-	260	253	75	75	80
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	8	222	68	8	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	1	-	18	18	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	627	-	906	916	539	573	604
Consumable: Stationery, printing and office supplies	-	-	31	108	64	44	36	47	55
Operating leases	-	-	67	112	107	84	183	188	195
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	340	-	-	-	-	-	-
Travel and subsistence	-	340	911	1 006	1 292	1 519	2 308	2 564	2 684
Training and development	-	-	-	-	430	430	4 650	4 629	4 656
Operating payments	-	-	356	51	10	-	52	81	82
Venues and facilities	-	-	400	193	431	341	480	559	562
Rental and hiring	-	-	-	-	-	-	40	50	50
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	3 028	-	2 405	2 408	2 324	2 438	2 565
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	3 000	-	44	44	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	2 224	2 224	2 324	2 438	2 565
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	2 224	2 224	2 324	2 438	2 565
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	2 224	2 224	2 324	2 438	2 565
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	28	-	137	140	-	-	-
Social benefits	-	-	28	-	137	140	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	288	354	318	318	217	142	260
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	288	354	318	318	217	142	260
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	288	354	318	318	217	142	260
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	1 891	14 757	31 706	30 252	30 252	31 439	31 974	34 278

Table 3.L : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	185 702	179 231	154 476	239 631	170 647	170 647	209 334	207 875	218 855
Compensation of employees	17 013	18 000	19 296	19 109	21 000	21 000	24 381	25 844	27 395
Salaries and wages	17 013	18 000	19 296	19 109	21 000	21 000	24 381	25 844	27 395
Goods and services	168 689	161 231	135 180	220 522	149 647	149 647	184 953	182 031	191 460
Administrative fees	-	-	109	-	-	-	110	131	131
Advertising	-	49	48	105	105	105	-	-	-
Minor assets	-	3 521	713	990	990	990	61	62	62
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	507	191	21	579	579	579	100	100	100
Catering: Departmental activities	176	207	375	775	775	775	810	827	827
Communication (G&S)	6 907	3 694	4 631	7 033	7 033	7 033	3 000	3 500	3 500
Computer services	-	7 358	3 111	2 000	2 000	2 000	5 150	4 200	4 200
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infras and planning	42 045	8 610	30 758	54 522	25 544	25 544	80 419	71 790	77 080
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and tech services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	7 711	6 549	6 365	9 358	9 358	9 358	17 755	20 148	20 148
Agency and support / outsourced services	16 793	449	2 242	3 150	3 150	3 150	6 314	6 607	6 607
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 309	236	1 216	1 390	1 390	1 390	500	-	-
Inventory: Farming supplies	76 730	113 316	76 013	129 349	87 452	87 452	56 161	58 981	63 120
Inventory: Food and food supplies	2 696	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	1 627	16	40	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	210	-	1 771	1 100	1 100	1 100	3 103	3 263	3 263
Inventory: Medical supplies	-	9 025	4	-	-	-	11	12	12
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	1 789	3 851	2 729	1 202	1 202	1 202	5 182	5 729	5 729
Consumable supplies	25	12	-	58	58	58	405	415	415
Consumable: Stationery, printing and office supplies	28	126	47	232	232	232	70	80	80
Operating leases	180	-	-	-	-	-	-	-	-
Property payments	681	466	731	1 000	1 000	1 000	260	260	260
Transport provided: Departmental activity	1 724	585	584	3 642	3 642	3 642	1 329	1 477	1 477
Travel and subsistence	4 026	2 766	2 764	4 037	4 037	4 037	4 213	4 449	4 449
Training and development	3 100	163	-	-	-	-	-	-	-
Operating payments	425	41	908	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	66 465	48 297	36 593	-	68 834	68 834	34 030	29 863	29 863
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	66 465	20 707	10 500	-	27 087	27 087	28 500	29 863	29 863
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	66 465	20 707	10 500	-	27 087	27 087	28 500	29 863	29 863
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	27 590	26 093	-	41 747	41 747	5 530	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	27 590	26 093	-	41 747	41 747	5 530	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	27 590	26 093	-	41 747	41 747	5 530	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	67 593	80 996	109 434	57 801	57 951	57 951	71 198	56 583	64 271
Buildings and other fixed structures	59 907	70 633	72 812	49 867	50 017	50 017	63 824	48 204	55 892
Buildings	-	-	-	-	-	-	30 498	18 804	18 972
Other fixed structures	59 907	70 633	72 812	49 867	50 017	50 017	33 326	29 400	36 920
Machinery and equipment	7 541	10 363	36 622	7 934	7 934	7 934	7 374	8 379	8 379
Transport equipment	7 252	3 938	10 030	2 538	2 538	2 538	3 000	3 600	3 600
Other machinery and equipment	289	6 425	26 592	5 396	5 396	5 396	4 374	4 779	4 779
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	145	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	319 760	308 524	300 503	297 432	297 432	297 432	314 562	294 321	312 989

Table 3.M : Payments and estimates by economic classification: CASP grant (Prog. 2: Agriculture)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	102 067	118 676	93 878	167 597	98 763	98 763	144 247	145 704	151 862
Compensation of employees	17 013	18 000	19 296	19 109	21 000	21 000	24 381	25 844	27 395
Salaries and wages	17 013	18 000	19 296	19 109	21 000	21 000	24 381	25 844	27 395
Goods and services	85 054	100 676	74 582	148 488	77 763	77 763	119 866	119 860	124 467
Administrative fees	-	-	109	-	-	-	100	117	117
Minor assets	-	2 911	660	990	990	990	61	62	62
Bursaries: Employees	507	191	21	579	579	579	100	100	100
Catering: Departmental activities	37	10	182	525	525	525	60	77	77
Communication (G&S)	6 907	3 694	4 631	7 033	7 033	7 033	3 000	3 500	3 500
Computer services	-	7 358	3 111	2 000	2 000	2 000	5 150	4 200	4 200
Infrastructure and planning	33 124	-	13 244	39 799	10 821	10 821	65 057	62 688	67 295
Contractors	5 607	580	-	2 778	2 778	2 778	234	247	247
Agency and support / outsourced services	1 394	449	2 242	3 150	3 150	3 150	6 314	6 607	6 607
Inventory: Clothing material and accessories	250	-	-	290	290	290	-	-	-
Inventory: Farming supplies	27 109	72 790	46 105	82 873	41 126	41 126	26 694	28 054	28 054
Inventory: Food and food supplies	2 696	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	2 853	3 013	3 013
Inventory: Medicine	-	8 999	4	-	-	-	11	12	12
Consumable supplies	520	1	-	602	602	602	4 257	4 804	4 804
Consumable: Stationery, printing and office supplies	25	12	-	58	58	58	405	415	415
Operating leases	28	126	47	232	232	232	70	80	80
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 619	585	554	3 542	3 542	3 542	1 287	1 435	1 435
Training and development	4 026	2 766	2 764	4 037	4 037	4 037	4 213	4 449	4 449
Operating payments	600	163	-	-	-	-	-	-	-
Venues and facilities	425	41	908	-	-	-	-	-	-
Transfers and subsidies	66 465	48 297	36 593	-	68 834	68 834	34 030	29 863	29 863
Provinces and municipalities	66 465	20 707	10 500	-	-	-	-	-	-
Provinces	66 465	20 707	10 500	-	-	-	-	-	-
Provincial agencies and funds	66 465	20 707	10 500	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	27 087	27 087	28 500	29 863	29 863
Entities receiving transfers	-	-	-	-	27 087	27 087	28 500	29 863	29 863
Public corporations and private enterprises	-	27 590	26 093	-	41 747	41 747	5 530	-	-
Private enterprises	-	27 590	26 093	-	41 747	41 747	5 530	-	-
Other transfers	-	27 590	26 093	-	41 747	41 747	5 530	-	-
Payments for capital assets	44 100	59 188	91 684	42 001	42 001	42 001	45 698	31 083	38 771
Buildings and other fixed structures	36 414	49 586	56 918	34 117	34 117	34 117	38 824	23 204	30 892
Buildings	-	-	-	-	-	-	30 498	18 804	18 972
Other fixed structures	36 414	49 586	56 918	34 117	34 117	34 117	8 326	4 400	11 920
Machinery and equipment	7 541	9 602	34 766	7 884	7 884	7 884	6 874	7 879	7 879
Transport equipment	7 252	3 938	10 030	2 538	2 538	2 538	3 000	3 600	3 600
Other machinery and equipment	289	5 664	24 736	5 346	5 346	5 346	3 874	4 279	4 279
Heritage assets	145	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	212 632	226 161	222 155	209 598	209 598	209 598	223 975	206 650	220 496

Table 3.N : Payments and estimates by economic classification: Ilima/Letsema Projects grant (Prog. 2: Agriculture)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	68 600	47 750	46 126	51 606	51 456	51 456	46 263	50 253	54 392
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	68 600	47 750	46 126	51 606	51 456	51 456	46 263	50 253	54 392
Minor assets	-	610	-	-	-	-	-	-	-
Catering: Departmental activities	-	23	-	-	-	-	-	-	-
Infrastructure and planning	1 122	-	6 961	-	-	-	-	-	-
Contractors	2 104	5 969	6 365	6 580	6 580	6 580	17 521	19 901	19 901
Agency and support / outsourced services	15 399	-	-	-	-	-	-	-	-
Inventory: Farming supplies	48 348	39 339	29 035	45 026	44 876	44 876	28 742	30 352	34 491
Inventory: Fuel, oil and gas	1 627	16	40	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	1 771	-	-	-	-	-	-
Inventory: Medicine	-	26	-	-	-	-	-	-	-
Consumable supplies	-	1 767	1 954	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	23 493	21 651	17 750	15 750	15 900	15 900	25 000	25 000	25 000
Buildings and other fixed structures	23 493	21 651	15 894	15 750	15 900	15 900	25 000	25 000	25 000
Other fixed structures	23 493	21 651	15 894	15 750	15 900	15 900	25 000	25 000	25 000
Machinery and equipment	-	-	1 856	-	-	-	-	-	-
Other machinery and equipment	-	-	1 856	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	92 093	69 401	63 876	67 356	67 356	67 356	71 263	75 253	79 392

Table 3.0 : Payments and estimates by economic classification: Land Care grant (Prog. 2: Agriculture)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	10 854	10 509	10 632	11 962	11 962	11 962	11 516	11 918	12 601
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	10 854	10 509	10 632	11 962	11 962	11 962	11 516	11 918	12 601
Advertising	-	49	48	105	105	105	-	-	-
Minor assets	-	-	53	-	-	-	-	-	-
Catering: Departmental activities	139	174	193	250	250	250	750	750	750
Infrastructure and planning	4 461	6 737	7 331	7 057	7 057	7 057	8 704	9 102	9 785
Inventory: Clothing material and accessories	745	206	701	500	500	500	-	-	-
Inventory: Farming supplies	980	794	770	1 250	1 250	1 250	575	575	575
Inventory: Materials and supplies	210	-	-	1 100	1 100	1 100	250	250	250
Consumable supplies	1 055	2 083	775	600	600	600	925	925	925
Travel and subsistence	681	466	731	1 000	1 000	1 000	260	260	260
Training and development	83	-	30	100	100	100	42	42	42
Venues and facilities	2 500	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	157	-	50	50	50	500	500	500
Machinery and equipment	-	157	-	50	50	50	500	500	500
Other machinery and equipment	-	157	-	50	50	50	500	500	500
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 854	10 666	10 632	12 012	12 012	12 012	12 016	12 418	13 101

Table 3.P : Payments and estimates by economic classification: EPWP Integrated Grant For Provinces (Prog. 2: Agriculture)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	4 181	2 296	3 840	8 466	8 466	8 466	7 308	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	4 181	2 296	3 840	8 466	8 466	8 466	7 308	-	-
Infrastructure and planning	3 338	1 873	3 222	7 666	7 666	7 666	6 658	-	-
Inventory: Clothing material and accessories	314	30	515	600	600	600	500	-	-
Inventory: Farming supplies	293	393	103	200	200	200	150	-	-
Consumable supplies	214	-	-	-	-	-	-	-	-
Travel and subsistence	22	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	4 181	2 296	3 840	8 466	8 466	8 466	7 308	-	-

Table 3.Q : Financial summary for Agri-business Development Agency (ADA)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	172 297	104 465	111 045	136 143	150 189	150 189	121 055	127 417	134 061
Sale of goods and services other than capital assets	51	38	1 202	1 195	2 366	2 366	1 041	1 109	1 181
Entity revenue other than sales	-	-	-	-	-	-	-	-	-
Transfers received*	172 246	104 427	109 843	134 948	147 823	147 823	120 014	126 308	132 880
Of which:									
DARD	148 267	98 620	100 537	134 948	121 335	121 335	120 014	126 308	132 880
COGTA	15 222	5 807	9 306	-	9 496	9 496	-	-	-
EDTEA	7 771	-	-	-	-	-	-	-	-
DRDLR	986	-	-	-	-	-	-	-	-
Roll-over: DARD	-	-	-	-	16 992	16 992	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	172 297	104 465	111 045	136 143	150 189	150 189	121 055	127 417	134 061
Expenses									
Current expense	162 599	99 399	108 068	135 842	147 539	147 539	120 755	127 117	133 761
Compensation of employees	19 433	20 664	19 690	30 835	24 835	24 835	30 856	32 893	35 031
Goods and services	143 148	78 713	88 368	105 002	122 699	122 699	89 894	94 218	98 724
Interest on rent and land	18	22	10	5	5	5	5	6	6
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 102	1 008	213	301	2 650	2 650	300	300	300
Payments for financial assets	1 950	1 792	156	-	-	-	-	-	-
Total expenses	165 651	102 199	108 437	136 143	150 189	150 189	121 055	127 417	134 061
Surplus / (Deficit)	6 646	2 266	2 608	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	(6 646)	(2 266)	(2 608)	-	-	-	-	-	-
Of which:									
Depreciation	(1 093)	(846)	(840)	-	-	-	-	-	-
Amortisation	(397)	(757)	(836)	-	-	-	-	-	-
Other	(5 156)	(663)	(932)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: Some Transfers received do not equal amounts in Table 3.8, as the amounts reflected include project funds rolled over multiple years

Table 3.R : Personnel summary for ADA

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	1 966	2 001	1 839	2 000	2 000	2 000	1 200	1 266	1 336
Personnel numbers (head count)	9	9	7	9	9	9	9	9	9
Unit cost	218	222	263	222	222	222	133	141	148
Executive management									
Personnel cost (R thousand)	3 150	3 194	2 833	4 234	1 820	1 820	3 749	3 996	4 256
of which:									
Chief Financial Officer	1 063	1 136	1 182	1 277	1 020	1 020	1 379	1 470	1 566
Chief Executive Officer	1 197	1 123	1 338	2 957	800	800	1 506	1 605	1 710
Personnel numbers (head count)	4	4	3	3	3	3	3	3	3
Unit cost	788	799	944	1 411	607	607	1 250	1 332	1 419
Senior management									
Personnel cost (R thousand)	2 780	2 963	1 891	4 850	1 800	1 800	3 850	4 140	4 371
Personnel numbers (head count)	3	3	2	4	4	4	4	4	4
Unit cost	927	988	946	1 213	450	450	963	1 035	1 093
Middle management									
Personnel cost (R thousand)	8 150	8 770	8 889	12 223	11 205	11 205	12 246	13 054	13 903
Personnel numbers (head count)	13	13	13	13	13	13	13	13	13
Unit cost	627	675	684	940	862	862	942	1 004	1 069
Professionals									
Personnel cost (R thousand)	4 890	5 054	5 414	8 112	9 382	9 382	10 050	10 678	11 410
Personnel numbers (head count)	17	17	17	17	17	17	17	17	17
Unit cost	288	297	318	477	552	552	591	628	671
Semi-skilled									
Personnel cost (R thousand)	263	523	263	138	148	148	161	172	183
Personnel numbers (head count)	2	4	2	1	1	1	1	1	1
Unit cost	132	131	132	138	148	148	161	172	183
Very low skilled									
Personnel cost (R thousand)	200	160	400	1 278	480	480	800	853	908
Personnel numbers (head count)	5	4	4	15	5	5	5	7	7
Unit cost	40	40	100	85	96	96	160	122	130
Total for entity									
Personnel cost (R thousand)*	21 399	22 665	21 529	32 835	26 835	26 835	32 056	34 159	36 367
Personnel numbers (head count)	53	54	48	62	52	52	52	54	54
Unit cost	404	420	449	530	516	516	616	633	673

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 3.S : Financial summary for Mjindi Farming (Pty) Ltd (Mjindi)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	104 322	75 785	68 065	59 136	63 118	63 118	61 977	65 685	69 564
Sale of goods and services other than capital assets	4 879	4 538	5 522	5 290	5 292	5 292	5 805	6 367	6 984
Entity revenue other than sales	1 527	706	473	619	269	269	284	300	316
Transfers received	97 916	70 541	62 070	53 227	57 557	57 557	55 888	59 018	62 264
Of which:									
DARD	60 816	50 506	53 183	56 001	56 001	56 001	58 801	62 094	65 509
Roll-over	37 100	20 035	8 887	-	4 330	4 330	-	-	-
Adjustment for VAT	-	-	-	(2 774)	(2 774)	(2 774)	(2 913)	(3 076)	(3 245)
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	104 322	75 785	68 065	59 136	63 118	63 118	61 977	65 685	69 564
Expenses									
Current expense	108 707	80 839	71 852	58 633	61 115	61 115	61 300	65 685	69 564
Compensation of employees	16 044	19 940	20 187	23 834	20 764	20 764	25 062	26 716	28 453
Goods and services	92 663	60 899	51 665	34 799	40 351	40 351	36 238	38 969	41 111
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	952	503	2 003	2 003	677	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	108 707	80 839	72 804	59 136	63 118	63 118	61 977	65 685	69 564
Surplus / (Deficit)*	(4 385)	(5 054)	(4 739)	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	4 385	5 054	4 739	-	-	-	-	-	-
Of which:									
Deferred income	4 385	5 054	4 739	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: The Surplus / (Deficit) relates to the accounting treatment of capital and other non-cash expense items

Table 3.T : Personnel summary for Mjindi

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	1 289	53	606	1 269	1 069	1 069	1 520	1 620	1 725
Personnel numbers (head count)	8	8	8	8	8	8	8	8	8
Unit cost	161	7	76	159	134	134	190	203	216
Executive management									
Personnel cost (R thousand)	2 308	2 471	2 535	2 891	2 212	2 212	1 314	1 401	1 492
of which:									
Chief Financial Officer	1 033	1 106	1 154	1 294	1 214	1 214	1 314	1 401	1 492
Chief Executive Officer	1 275	1 365	1 381	1 597	998	998	-	-	-
Personnel numbers (head count)	2	2	2	2	1	1	1	1	1
Unit cost	1 154	1 236	1 268	1 446	2 212	2 212	1 314	1 401	1 492
Senior management									
Personnel cost (R thousand)	1 663	1 781	1 894	2 082	2 406	2 406	2 536	2 703	2 879
Personnel numbers (head count)	2	2	2	2	2	2	2	2	2
Unit cost	832	891	947	1 041	1 203	1 203	1 268	1 352	1 440
Middle management									
Personnel cost (R thousand)	774	1 272	2 288	1 869	1 869	1 869	2 216	2 362	2 516
Personnel numbers (head count)	4	4	4	3	3	3	3	2	2
Unit cost	194	318	572	623	623	623	739	1 181	1 258
Professionals									
Personnel cost (R thousand)	4 773	6 399	6 267	7 559	6 924	6 924	9 584	10 217	10 881
Personnel numbers (head count)	8	8	8	16	15	15	20	16	16
Unit cost	597	800	783	472	462	462	479	639	680
Semi-skilled									
Personnel cost (R thousand)	5 060	6 543	6 295	6 825	5 253	5 253	7 904	8 426	8 973
Personnel numbers (head count)	49	54	50	33	33	33	34	33	33
Unit cost	103	121	126	207	159	159	232	255	272
Very low skilled									
Personnel cost (R thousand)	1 466	1 474	908	2 608	2 100	2 100	1 508	1 607	1 712
Personnel numbers (head count)	8	7	6	14	14	14	9	14	14
Unit cost	183	211	151	186	150	150	168	115	122
Total for entity									
Personnel cost (R thousand)*	17 333	19 993	20 793	25 103	21 833	21 833	26 582	28 336	30 178
Personnel numbers (head count)	81	85	80	78	76	76	77	76	76
Unit cost	214	235	260	322	287	287	345	373	397

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

VOTE 4

Economic Development, Tourism and Environmental Affairs

Operational budget	R3 007 318 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R3 009 296 000
Responsible MEC	MEC for Economic Development, Tourism and Environmental Affairs
Administrating department	Economic Development, Tourism and Environmental Affairs
Accounting officer	Head: Economic Development, Tourism and Environmental Affairs

1. Overview

Vision

The vision of the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) is: *Attainment of radically transformed, inclusive and sustainable economic growth for KZN.*

Mission statement

The department's mission is to: *Provide leadership and facilitate integrated economic planning, be a catalyst for economic transformation and sustainable development, implement strategies that drive economic growth and promote sound environmental management, create a conducive environment for trade, investment and tourism and monitor and enforce sound business and consumer regulations.*

Strategic goals and objectives

Strategic policy direction: The strategic focus for EDTEA during the 5-year period is to build a resilient KZN provincial economy that can respond to global factors, stimulating provincial economic development, alignment of functions and purpose of all economic development entities, as well as building a vibrant organisation. The key strategic goals and objectives of the department include integrated economic planning and development in the province, sustainable and inclusive economic growth for job creation, preferred tourism destination in the country, sustainable environmental management and achieve institutional excellence responsive to the needs of the country.

The department has identified the following strategic goals and objectives:

Lead and co-ordinate integrated economic planning and development.

- Co-ordinate social partners and other stakeholders in the province.
- Collect, process, maintain and report on economic and other social data.
- Track the implementation of economic interventions.
- Provide research on priority and strategic sectors.
- Develop and maintain an efficient regulatory and governance framework.
- Influence policy direction for economic and infrastructure development.

Facilitate sustainable and inclusive economic growth to ensure job creation.

- Facilitate the implementation of economic transformation strategies and policies.
- Implement existing productive and service sector strategies and plans.

- Promote SMMEs and co-operatives.
- Facilitate trade and investment.

Provide preferred tourism destination in the country.

- Provide guidance, support and direction in terms of tourism policies, legislation and strategies.
- Implement the KZN Tourism Master Plan.

Implement sustainable environmental management.

- Implement environmental management strategies and plans.
- Streamline the process of Environmental Impact Assessments (EIAs).
- Promote and facilitate integrated environmental management through capacity building and awareness raising programmes and projects.

Core functions

The department's core functions are summarised as follows:

- To drive the economic development strategies of the province.
- To facilitate strategies to enhance the competitiveness of priority sectors of the economy, in line with the industrial development strategy.
- To promote the development of small business and social enterprises.
- To promote and facilitate economic empowerment programmes.
- To manage the Enterprise Development and Growth Funds.
- To provide an effective and efficient consumer protection service.
- To ensure effective and prudent business regulation in the province.
- To provide effective and efficient environmental management.
- To provide conservation services.

Legislative mandate

The legislative mandate of the department largely stems from the following Acts and Regulations:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Service Act (Act No. 103 of 1994)
- Public Service Regulations, 2001
- Public Finance Management Act (Act No. 1 of 1999), as amended, and Treasury Regulations
- Labour Relations Act (Act No. 66 of 1995)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Employment Equity Act (Act No. 55 of 1998)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- The Companies' Act (Act No. 20 of 2004)
- Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- KwaZulu-Natal Liquor Licensing Act (Act No. 6 of 2010)
- KwaZulu-Natal Film Commission Act (Act No. 3 of 2010)
- Trade and Investment KZN Act (Act No. 4 of 2010)
- Businesses Act (Act No. 71 of 1991)
- KwaZulu-Natal Dube TradePort Corporation Act (Act No. 2 of 2010)
- South African National Consumer Protection Act (Act No. 68 of 2008) hereafter referred to as the Consumer Protection Act

- KwaZulu-Natal Liquor Licensing Amendment Act (Act No. 3 of 2013)
- KwaZulu-Natal Consumer Protection Act (Act No. 4 of 2013)
- Tourism Act (Act No. 3 of 2014)
- Special Economic Zones Act (Act No. 16 of 2014)

The following bills have been promulgated, and notification of the respective Act numbers is awaited:

- Richards Bay Industrial Development Zone Bill
- Ithala Development Finance Corporation Bill
- Integrated Coastal Management Bill

Specific Environmental Affairs legislation

- Environmental Management White Paper, 1997
- Environmental Conservation Amendment Act (Act No. 50 of 2003)
- National Environmental Management Act (NEMA) (Act No. 107 of 1998)
- Atmospheric Pollution Prevention Act (Act No. 45 of 1965)
- Prevention of Environmental Pollution Ordinance (Ordinance No. 21 of 1981)
- NEMA: Air Quality Act (Act No. 39 of 2004)
- Marine Living Resources Act (Act No. 18 of 1998)
- NEMA: EIA Regulations 2006 and Amendments
- Sea Shore Act (Act No. 21 of 1935)
- Municipal Systems Act (Act No. 32 of 2000)
- Spatial Planning and Land Use Management White Paper 2001

Specific Conservation legislation

- KwaZulu-Natal Conservation Management Act (Act No. 9 of 1997)
- National Environmental Management Act (NEMA) (Act No. 107 of 1998)
- NEMA: Protected Areas Management Act (Act No. 57 of 2003)
- NEMA: Biodiversity Act (Act No. 10 of 2004)
- National Water Act (Act No. 36 of 1998)
- Marine Living Resources Act (Act No. 18 of 1998)
- National Heritage Resources Act (Act No. 25 of 1999)
- KwaZulu-Natal Heritage Act (Act No. 10 of 1997)
- National Forest Act (Act No. 84 of 1999)
- World Heritage Convention Act (Act No. 49 of 1999)
- Veld and Forest Fire Act (Act No. 101 of 1998)
- Natal Nature Conservation Ordinance (Act No. 15 of 1974)
- Natural Scientific Professions Act (Act No. 27 of 2003)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Firearms Control Act (Act No. 60 of 2000)
- Expropriation Act (Act No. 63 of 1957)
- Restitution of Land Rights Act (Act No. 22 of 1994)
- Development Facilitation Act (Act No. 67 of 1995)
- Municipal Demarcation Act (Act No. 27 of 1998)

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Integrated economic development

The department successfully launched the Radical Economic Transformation programme. In pursuit of the responsibility to co-ordinate the support and development of sustainable SMMEs and co-operatives/social enterprises that contribute to wealth and job creation, the department implemented various interventions including training, mentorship, incubation, funding and business advisory services. As one of its implementation methodologies, EDTEA prioritised mutual and synergistic partnerships and signed an agreement with the Coastal Technical Vocational Education and Training (TVET) College to train co-operatives. In this regard, 333 co-operatives were trained in business management skills, including management and good governance of co-operatives.

The partnership agreement with Mangosuthu University of Technology (MUT) resulted in 82 SMMEs receiving training in the manufacturing of cleaning detergents and other chemical products. A total of 497 groups/associations were assisted to register with the Companies and Intellectual Property Commission (CIPC) as co-operative entities, and 936 individuals registered their SMME businesses with the CIPC.

EDTEA concluded a funding agreement with the University of KwaZulu-Natal (UKZN) Graduate School of Business and Leadership and is currently funding the delivery of education, training and research related to Regional and Local Economic Development (RLED).

In 2017/18, there were 2 300 youth trained and placed in different technical trades such as boiler making, diesel mechanics, welding, steel fabrication, and plumbing. Furthermore, there were 105 unemployed graduates placed for employment through the National Skills Fund (NSF). Also, 150 youth and five youth companies were exposed to the film television industry.

Through the Entrepreneurship and Careers Expos, the department interacted with more than 70 000 youth including those that are at schools and those who have completed matric and are either looking for employment or considering starting businesses.

Through the funding partnership with the National Youth Development Agency (NYDA), more than 30 youth businesses were provided with grant funding, as well as mentorship.

The department facilitated the implementation of the Black Industrialists programme which was launched in June 2017 in partnership with the Department of Trade and Industry (DTI). A total of 25 applications from KZN were submitted to DTI for consideration in this regard. The programme contributed to the implementation of Operation Vula which is an initiative aimed to guarantee a market for small scale emerging enterprises (owned by previously disadvantaged communities) such as co-operatives that would supply products to different government departments. EDTEA continued to create awareness on B-BBEE policy compliance across the province. A number of key stakeholders participated in workshops towards Township Revitalisation in Umlazi, KwaNyuswa, Clermont, KwaMashu and KwaDabeka.

The department concluded an agreement with Umfolozi TVET College to train women in the clothing manufacturing programme, and women co-operatives from King Cetshwayo and eThekweni Metro were trained in garment making and business management associated with clothing. The department also signed an agreement with the Downstream Aluminium Centre for Technology to provide training, mentorship and incubation to women in the steel and aluminium sector and 15 women-owned businesses based in the King Cetshwayo District participated in the programme. The department held SMME fairs to assist in creating market access for women.

Trade and sector development

Four SMMEs were provided with intensive support on the eThekweni SMME Boost programme, including facilitating discussions on market access. Consent was given by Ithala for the use of land in the Amajuba District for the establishment of the Clothing and Textiles Hub. The department initiated the Maritime Incubator programme entailing business training, mentorship, guidance and business support which will culminate in the establishment of new maritime enterprises.

Business regulation and governance

The department, in partnership with the Department of Co-operative Governance and Traditional Affairs (COGTA), the South African Local Government Association (SALGA) and the Department of Small

Business Development, embarked on various Red Tape Reduction initiatives which included conducting Red Tape workshops and investigations in various municipalities as a way of establishing the major obstacles faced by businesses and the public at large when dealing with government and its entities. These workshops culminated in the development of the Provincial Red Tape Reduction Programme actions consisting of six strategic interventions/indicators, including a complaints management system, municipal planning and development approval processes, business licensing and permitting, and compliance and enforcement of government regulations (by-laws). This is an ongoing programme and the action plans will be implemented in 2018/19.

The department's inspectors conducted business inspections on retail shops, especially food outlets, supermarkets, the motor industry, as well as tourism establishments, to ensure compliance with the Consumer Protection Act and other relevant legislation.

Economic planning

The department entered into a partnership with research institutes including the Centre for Scientific and Industrial Research (CSIR), which resulted in the production of a provincial bio-energy action plan. This plan outlined key activities that could benefit the province from the green economy. An implementation framework for the Provincial Spatial Economic Development Strategy (PSEDS) was formulated and pilot projects were identified. In particular, three border development zones, namely Kosi Bay, Cecil Mack's Pass and Sani Pass, were proposed to be implemented in 2018/19.

Tourism

The 2030 KZN Tourism Master Plan and community-based tourism projects continued to be implemented to achieve ownership and participation of communities in the mainstream economy. To achieve transformation within the tourism sector, 20 tourist guides were trained in the uMkhanyakude and King Cetshwayo District Municipalities in the nature and culture categories in partnership with the Department of Tourism. Furthermore, EDTEA entered into a partnership with the Department of Tourism to conduct emerging tour operator and service excellence workshops. The Social Tourism Programme, which benefited a total of 300 participants, was implemented in partnership with the Department of Tourism, targeting youth, senior citizens and educators aimed at exposing them to tourism.

Environmental Affairs

The department attained completion of 98 per cent of EIA applications within the legislated timeframes, impacting directly on economic growth. With regard to the 170 EIA applications finalised, it is estimated that the total capital value of the projects amounts to approximately R8 billion, and can potentially unlock an estimated 9 396 construction phase jobs and 16 179 permanent operational phase jobs. Also, 90 per cent of waste management licence applications were completed.

Ithala Development Finance Corporation (Ithala)

Ithala focuses on economic development through the provision of financial and non-financial services to businesses and individuals. With regard to its property portfolio, Ithala embarked on a refurbishment programme in 2017/18, and renewed its focus on contractual management and facilitation of property rental controls, with a view to improving occupancy levels and maximising rental collections, while reducing bad debt.

Ithala successfully partnered with several provincial departments, such as DOE, DOT and DOHS to offer bridging finance towards enablement of projects awarded to small contractors. Such projects include the National School Nutrition Programme, scholar transport and housing projects.

Ithala SOC Limited was granted an extension of the banking licence exemption by the Minister of Finance until 30 November 2019, to allow Ithala time to address certain issues relating to systems and people.

Ithala SOC Limited submitted a revised business plan to the South African Reserve Bank and National Treasury containing details on how the bank will ensure that it maintains adequate capital levels. The entity started to implement the turnaround strategy contained in the business plan which articulates how Ithala SOC Limited will achieve profitability and also determine the re-capitalisation value required to successfully implement this strategy.

KwaZulu-Natal Sharks Board (KZNSB)

The KZNSB protects bathers against shark attacks at 37 designated protected beaches along the coastline, through the installation and maintenance of shark safety gear (shark nets and drumlines). The entity maintains 21km of shark netting and 107 drum-lines off the KZN coast between Richards Bay and Port Edward. The entity continued its research on the biodiversity of sharks. The entity enrolled 500 students in courses offered by the Maritime Centre of Excellence (MCOE). Two Maritime Enterprise Development workshops were held focusing on aquaculture and coastal and marine tourism.

KZN Tourism Authority (TKZN)

In order to market KZN internationally as a “must visit destination”, TKZN participated in various trade shows, such as the World Routes Conference and Exhibition, and the World Travel Market Show. In partnership with the East Coast House and Garden show, TKZN hosted the KZN travel and adventure show which attracted more than 90 000 people. Regional partnerships were entered into with Proflight Airlines in Zambia and tour operators in KZN, in an attempt to bring more tourists into KZN.

The entity worked with various stakeholders to contribute to the transformation of the tourism sector. The TKZN incubation programme was reviewed to ensure that participating SMMEs are ready for linking to markets. The Convention Bureau continued to engage with international event owners for hosting their events in KZN, and participated in various business events and trade shows including the Union of International Associations, International Congress and Convention Association (ICCA) and Institute of Business Travel Management (IBTM) World Conference in Spain (Barcelona). The Convention Bureau also assisted in the successful hosting of the 2017 Loeries Creative week, and the Elite Sports congress.

Dube TradePort Corporation (DTPC)

DTPC’s mandate is to facilitate economic growth in KZN through the development of the Dube TradePort (DTP), which incorporates a Special Economic Zone (SEZ), as a platform to attract domestic and foreign direct investment and to facilitate imports and exports. The entity plays a multi-faceted role in both enabling and driving the development of air logistics businesses and creating a physical environment for the implementation of the re-industrialisation policy of government.

After strong performance in 2016/17, airlines operating out of King Shaka International Airport (KSIA) experienced moderate growth in passenger and cargo volumes in 2017/18. The Durban Aerotropolis Master Plan was approved by the Provincial Executive Council in November 2017 and DTPC was tasked with the implementation of this plan.

Trade and Investment KwaZulu-Natal (TIK)

The entity continued to attract foreign and domestic investment, and to promote exports and to secure investment opportunities in the construction, agriculture, automotive, ICT and metal sectors of the economy. The entity undertook projects to assist companies based in KZN to access new markets outside of South Africa and to prepare the companies for export readiness. This was achieved through training sessions, exhibitions and participating in foreign trade missions.

Through the Technical Assistance Fund (TAF), the entity assisted over 20 project promoters with funding toward technical requirements for investments. TIK successfully launched the One-Stop-Shop in November 2017, which renders technical support, advice and assistance to various institutions in KZN. The entity facilitated the creation of 2 625 jobs from inward investment, which is expected to realise a value of R1.128 billion in foreign direct investment. TIK facilitated R547 million worth of business expansions which assisted in creating 1 450 jobs.

Richards Bay Industrial Development Zone (RBIDZ)

The RBIDZ is continuously looking into avenues to optimise economic returns from mineral wealth, the deep-water port, marine-oriented industries and agricultural produce, in pursuit of establishing linkages with industrial hubs and in line with Operation Phakisa.

The entity is still working with the Department of Energy and Independent Power Producers (IPP) to attract the right calibre of bidders for the gas to power plant to be located within the RBIDZ. A process to purchase land from the uMhlathuze Municipality for the gas to power plant was initiated in 2017/18, and is currently still underway.

KZN Liquor Authority (KZNLA)

The entity continued to implement the KZN Liquor Licensing Act and renewed 7 121 licence holders for trade. The process of lodging renewal applications in terms of the new legislation at district level continued. The KZNLA conducted 75 blitz operations and, as a result, a high number of illegal outlets were closed.

Ezemvelo KZN Wildlife (EKZNW)

EKZNW is mandated to manage biodiversity conservation within KZN. This encompasses the development and promotion of eco-tourism facilities within protected areas, as well as establishing good relationships with various communities residing adjacent to the protected areas.

The province had 222 rhino poached, of which 202 were in state reserves. EKZNW partnered with the South African Police Services (SAPS), National Department of Environmental Affairs (DEA) and South African National Parks (SANParks), in joint counter-poaching planning and operations to address the rhino crime threat. In partnership with the Peace Parks Foundation, EKZNW is implementing operational control centres and systems to co-ordinate reaction teams. The Peace Parks Foundation also assisted EKZNW to implement sensors on fences at Hluhluwe iMfolozi Park, to assist in the tracking and tracing of poachers.

During 2017/18, EKZNW received a funding commitment of R69.100 million from the Department of Tourism over three years, to improve the state of the entity's ecotourism infrastructure.

KwaZulu-Natal Film Commission (KZNFC)

The KZNFC continued to focus on programmes and projects that were intended to grow and support the film industry in the province. The year began with the hosting of the KZN Film Indaba where issues affecting filmmakers in the province were discussed. The KZNFC participated in the Durban International Film Festival programmes and a number of screenings were presented in previously disadvantaged areas. The Simon Mabhunu Sabela Awards showed signs of growth, with the support of local filmmakers and improvement in the quality of award recipients demonstrating the growth in the industry.

The film cluster, which was launched in March 2017, was utilised by local film-makers through rental of office space and equipment. KZNFC is striving to assist SMMEs in particular to use these facilities in order to grow their business.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key areas of 2018/19, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The bulk of the department's budget allocation caters for transfers to its public entities. The budget also provides for the KZN Youth Technical Skills Training and Placement Project, implementation of the Black Industrialists programme and Operation Vula, implementation of Industrial Economic Hubs, Aerotropolis Institute, SMME Academy, Ladysmith Black Mambazo Music Academy which is a project to be jointly undertaken with the Department of Arts and Culture (DAC), KZN Master Plan Review, Africa Television Market, as well as the Invasive Alien Species Programme (IASP).

Integrated economic development

The department will forge partnerships with institutions of higher learning such as Durban University of Technology (DUT) to provide training for the youth, disabled, women and unemployed to equip them with relevant skills to become employable and run successful businesses that will create more job opportunities. This new initiative is known as KZN CoLab which is currently run by the DUT. Discussions between DUT and EDTEA are currently underway to work together and to sign a MOU in future.

In pursuit of supporting the transformation agenda, the RLED has reviewed the KZN Gijima Local Economic Competitive Fund programme to align with the objectives of Operation Vula programmes, mainly targeting the Agro-processing Value Chain Sector.

Operation Vula will be launched in 2018/19 and will focus on various sectors, including clothing, furniture, manufacturing, bakeries, agriculture and infrastructure development. B-BBEE compliance is still key in the implementation of B-BBEE policy, hence, awareness workshops and training will continue in 2018/19.

Trade and sector development

EDTEA plans to establish the ICT incubator in Msunduzi and the Smart City Lab in eThekweni. The department will train and facilitate new ICT SMMEs that fall under the disabled category and open an ICT entrepreneurship centre to train new ICT SMMEs. Furthermore, the department will co-ordinate and implement an integrated Smart City programme for the Aerotropolis region and will develop plans for a leather processing hub in Edendale and a clothing and textile hub in Amajuba. The department aims at finalising the packaging of specific industry support for the proposed Industrial Economic Hubs, and to develop an automotive strategy for KZN, as well as a viability study for Auto Service Hubs in Edendale and Ugu. In addition, the department will focus on the development and establishment of the Ladysmith Black Mambazo Music Academy in Ladysmith, as well as the expansion of the maritime incubator programme with extensive training, mentorship and support on the management of a business, finances, marketing, operations and business plan development for the creation of new maritime businesses.

Business regulation and governance

EDTEA is in the process of designing a 5-year Master Plan for formalisation of the informal economy. The Master Plan aims at streamlining all informal economy activities in KZN, thus facilitating the transitioning from the informal to the formal economy in line with the radical economic transformation strategy.

The automated business application and information management system is a new system developed by the department and is seen as a game-changer in terms of the business regulatory and information management. Once completed, the system will provide a platform for businesses in KZN to apply for business licences and informal economy permits on-line and to trace the progress in relation to each application. This aims at reducing red tape and cumbersome processes associated with business licensing. A Business Licensing Technical Team will be formulated to create technical capacity for municipalities that do not have capacity to perform the business licensing function, and this is aimed at reducing illegal businesses and unnecessary red tape. The department will continue with inspections of businesses to ensure compliance with the Consumer Protection Act and Business Regulations.

Economic planning

The department will finalise partnerships with universities and science councils to enhance the departmental research agenda and policy analysis imperatives. The partnerships are geared to provide holistic support to all departmental research needs. Furthermore, the programme intends to have three border development zones, namely Kosi Bay, Cecil Mack's Pass and Sani Pass to unlock regional economic integration with Mozambique, Swaziland and Lesotho, respectively.

Tourism

In ensuring proper planning and alignment with other national and provincial strategies, the department aims to review the KZN Tourism Master Plan. Three district municipalities will be assisted in developing their tourism strategies, formalisation of community tourism organisations, strengthening of structures and providing capacity building to municipal councillors and officials. In compliance with the national and provincial Tourism Acts, the department will continue to manage tourist guides and tourism businesses. Furthermore, new entrants in tourist guiding will be trained and existing tourist guides will be up-skilled as part of continuous development and professionalisation of the tourist guide fraternity.

The implementation of community-based, rural and township tourism projects remains a priority as part of radical economic transformation within the sector. EDTEA will continue to partner with key stakeholders, such as the Department of Tourism, EKZNW, TKZN, Africa Ignite and municipalities in the implementation of key tourism projects. Furthermore, directional tourism signage will be erected for key attractions across the province.

Environmental Affairs

EDTEA will complete the development of the Environmental Outlook Report and Coastal Management plan. Work to monitor and evaluate the impact of climate change was initiated and the department will continue to review and update the provincial climate change. The department will continue to conduct district climate change vulnerability assessments in the 10 districts. Work to monitor and evaluate the impact of climate change will continue in the districts, and district climate change implementation strategies should be initiated by the end of 2018.

The department will broaden environmental awareness and capacitation of all sectors of society, which will culminate in the commemoration of the World Environment Day in June 2018. In terms of managing the spread of invasive alien species, the department will continue with this programme and, in this regard, more work opportunities will be created through EPWP principles while supporting small and medium enterprises in the sector. EDTEA will continue to monitor compliance with environmental legislation.

Ithala Development Finance Corporation (Ithala)

Ithala's strategic path for 2018/19 focuses on driving development programmes, based on already-defined provincial initiatives, in order to impact a sizeable number of SMMEs and co-operatives. This will be done through projects which include the Radical Economic Transformation programme, Operation Vula, the Black Industrialists programme, etc.

For Ithala SOC Limited, 2018/19 will be characterised by a significant investment in people, systems and processes. The focus will be on re-engineering the operating model in terms of the strategic imperatives and implementation plan outlined in the turnaround strategy.

A new integrated enterprise banking technology platform will be implemented, allowing new products and services to be introduced to the market.

KwaZulu-Natal Sharks Board (KZNSB)

The entity will continue to protect all bathers at protected beaches in an environmentally sensitive manner and research efforts in respect of producing a shark repellent prototype cable that can be piloted at appropriate sites locally and internationally will continue. The KZNSB will continue to conduct awareness programmes and educational services to scholars.

The MCOE will enroll a further 500 students in its various programmes, including diving and nautical courses, boatbuilding, as well as technical and maritime business. The boatbuilding and technical programme will be registered at a NQF Level 04. The Maritime Incubation programme will continue to be rolled out, with particular focus on women and youth-owned businesses.

KZN Tourism Authority (TKZN)

In 2018/19, TKZN will intensify its e-marketing campaign in line with world trends. The mobile app is ready to be launched and this will make KZN tourist offerings more easily accessible on electronic devices, including cell phones. Digitisation will also include Virtual Reality Technology that will enable tourists to sample KZN experiences on a virtual platform, as well as touch screen technology at strategic points.

This year will also see the implementation of a new incubation programme which is aimed at supporting SMMEs in the sector, both those in business and leisure tourism. The entity will also focus on support for districts in terms of marketing their products and experiences.

TKZN will further embark on a domestic, regional and global campaign to celebrate former President Nelson Mandela's Centenary through tourism.

Key tourism development interventions include assisting SMMEs with product development concepts, feasibility studies and business plans, and working with the Isimangaliso Wetland Park Authority towards the enhancement of the tourism offerings of St Lucia, one of KZN's World Heritage sites and a key domestic and international tourism attraction.

Dube TradePort Corporation (DTPC)

Major construction projects planned for 2018/19 include the multi-storey parkade on Blocks A and B at Dube City and the bulk earthworks at TradeZone 2. At Dube City, the parkade will consist of an initial five storeys to provide for additional parking requirements within the zone. Once the bulk earthworks for TradeZone 2 are completed, bulk infrastructure will need to be undertaken to fully service the sites for occupation by investors. This will result in a further 50 hectares of land being made available for private sector development within the DTP SEZ.

Construction of the mini-factories at TradeZone 1 will continue, as will the specialist studies required for the Automotive Supplier Park (ASP), being developed in conjunction with EDTEA. Implementation of the Durban Aerotropolis Master Plan will gain momentum and DTPC will continue to identify and engage with

new airlines with the aim of securing new air routes, which in turn will drive up cargo volumes, increase exports and attract additional private sector investment to KZN. The construction of the Hlawe River trunk sewer, and the double basement parkade on Block D at Dube City are expected to be completed in 2018/19.

Trade and Investment KwaZulu-Natal (TIK)

TIK will continue to focus on the implementation of business intervention initiatives in support of business expansion and company retentions. The entity is targeting to facilitate R900 million worth of business expansion which is expected to generate 2 200 jobs. The entity aims to support 10 distressed companies and create export and intra-trade opportunities for KZN exporters.

The entity is aiming to attract R2 billion in foreign direct investment, which is expected to generate approximately 2 750 jobs. TIK aims to facilitate five investment projects for black youth and women owned businesses and continue with its strategy to attract foreign direct investment, undertaking outgoing missions, hosting of incoming missions and facilitating destination marketing programmes.

Richards Bay Industrial Development Zone (RBIDZ)

The acquisition of Bayside is still in process, envisaged to be finalised in 2018/19. The efforts to acquire Phase 2A and the negotiations between the RBIDZ and the landowner are also still underway. The construction of Phase 1F internal civil and electrical engineering services is in progress and expected to be completed by November 2018. There is a challenge in the supply of bulk industrial water and sea outfall effluent infrastructure to Phase 1F, as no such bulk infrastructure exists. The City of uMhlathuze was approached in September 2015 to supply such bulk infrastructure, but the municipality advised the RBIDZ in December 2017 that they do not have funding available to provide the required infrastructure. The RBIDZ is in the process of submitting an application to the DTI Critical Infrastructure Fund for the installation of the infrastructure on behalf of the City of uMhlathuze.

A piping plant in Phase 1A that is now operational is expanding its factory, which is expected to create more jobs. The paint manufacturing investor is set to begin construction of its factory in 2018/19, subject to them being able to source required funding. Several agreements were signed with investors, and investment pipeline to date is worth R10 billion. The focus in 2018/19 is going to be more on converting the pipeline to actual investors on the ground.

RBIDZ continues to face challenges, such as the onerous, protracted and often misaligned approval processes for EIAs, Water Use Licence Applications (WULA), and the requirements of the Spatial Planning and Land Use Management Act (SPLUMA). Also, the acquisition of land is a significant challenge.

KZN Liquor Authority (KZNLA)

The KZNLA will continue to roll-out an induction programme for newly approved licences, and will conduct comprehensive research into the composition of the liquor industry and illegal trade. The entity will develop the capacity of each district office to introduce help-desks. The entity will develop a new liquor management system which will assist in expediting the application process by improving efficiency in the process.

Ezemvelo KZN Wildlife (EKZNW)

EKZNW will continue to implement projects in the local communities adjacent to its parks, such as:

- Construction of a fully furnished crèche and ablution facility at Abaqulusi in the Zululand District.
- Establishing a sewing enterprise, construction of a warehouse, as well as purchase of machinery, equipment and furniture of a sewing project in Impendle in the uMgungundlovu District.
- Busingatha Lodge near Royal Natal National Park in the uKhahlamba-Drakensberg World Heritage Site, where EKZNW will establish a community-owned lodge in conjunction with the community bordering the Royal Natal National Park.

In an effort to reduce its dependency on government, the entity will continue to introduce initiatives aimed at increasing its revenue. This year will see the entity focussing on implementing commercialisation projects and forming strategic partnerships in eco-tourism areas, such as the management of restaurants and hospitality facilities in certain reserves. In order to attract investments, the entity plans to implement a range

of public private partnerships, with a particular focus on community empowerment. The road rehabilitation project at Cathedral peak is planned to be completed in 2018/19, after which the road will be decommissioned as a private access road and given back to the Department of Transport.

The entity will continue with the rehabilitation of staff accommodation at Vergelegen, Kamberg, Highmoor and Giants Castle (Hillside outpost). Furthermore, the entity will start rehabilitation projects such as the roofing project at Didima, Hluhluwe iMfolozi (Hilltop), Ithala (Ntsondwe), Mantuma (Mkhuze), and Thendele, as well as resurfacing of the parking area at Midmar, among others.

KwaZulu-Natal Film Commission (KZNFC)

The entity will continue to drive projects to grow the film industry by supporting historically disadvantaged individuals. About 75 filmmakers will receive training on film-related skills sets (e.g. camera, lighting, sound, production accounting, etc.).

KZNFC's film fund of R10 million will continue to fund filmmakers in different areas, such as development, production, marketing and distribution. There is an increased focus on the African continent (in terms of co-productions and distribution) with the priority being producing local content.

4. Reprioritisation

The department undertook reprioritisation from Programmes 2, 3, 5 and 6 over the 2018/19 MTEF. This reprioritisation affected various economic categories, as well as transfers to entities. The funds were mostly reprioritised from *Goods and services* as a result of cost-cutting on travel and subsistence and the pronouncement by the MEC to minimise the use of consultants in the department. These funds were moved to cater for air quality and climate change equipment and to provide for resources for new offices, such as security and cleaning services, as well as the leasing of buildings for office accommodation.

5. Procurement

The department will continue to develop and implement procurement plans for 2018/19 to ensure that the needs of the department are in line with the pillars underpinning the department's strategy, as well as the budget allocated to the department. The major projects for EDTEA in 2018/19 include implementation of Industrial Economic Hubs, Aerotropolis Institute and related projects, Tourism Entrepreneurship Career Expo, IASP, KZN Economic Council, Youth and Women BEE projects and Co-operative Training.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 4.1 shows the sources of funding for the department over the seven-year period 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 4.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	2 840 316	2 951 842	2 573 759	2 769 014	2 769 014	2 769 014	2 996 316	3 180 694	3 363 243
Conditional grants	16 827	7 027	6 927	6 149	6 149	6 149	3 740	-	-
EPWP Integrated Grant for Provinces	16 827	7 027	6 927	6 149	6 149	6 149	3 740	-	-
Total receipts	2 857 143	2 958 869	2 580 686	2 775 163	2 775 163	2 775 163	3 000 056	3 180 694	3 363 243
Total payments	2 955 803	2 983 585	2 596 897	2 784 403	2 796 453	2 788 507	3 009 296	3 180 694	3 363 243
Surplus/(Deficit) before financing	(98 660)	(24 716)	(16 211)	(9 240)	(21 290)	(13 344)	(9 240)	-	-
Financing									
of which									
Provincial roll-overs	-	14 572	-	-	-	-	-	-	-
Provincial cash resources	151 312	23 678	23 925	9 240	21 290	21 290	9 240	-	-
Surplus/(Deficit) after financing	52 652	13 534	7 714	-	-	7 946	-	-	-

The department receives a provincial allocation in the form of an equitable share, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces. The department's baseline has increased from R2.956 billion to R3.363 billion over the seven-year period, and shows an erratic trend.

The department receives R3.740 million in respect of the EPWP Integrated Grant for Provinces in 2018/19. There is no allocation for the two outer years of the MTEF, at this stage.

In 2014/15, provincial cash resources of R151.312 million were allocated as follows:

- R39.512 million relating to EKZNW's road maintenance budget, which was suspended from 2013/14.
- R6 million was allocated to the KZNSB for MCOE operational costs.
- R7 million was allocated to TIK for the TAF and marketing.
- R2 million was allocated to KZNLA for the procurement of an IT system, as well as carry-through of previous wage agreements.
- R96.800 million, surrendered from Ithala's Equity Fund and paid into the Provincial Revenue Fund, was allocated as follows:
 - R50 million was transferred to Ithala Limited to ensure that it maintains a certain minimum capital adequacy ratio.
 - R21 million was allocated for the World Routes 2015 conference. Of this amount, R4 million was transferred to TKZN, since the entity was responsible for promoting and marketing this event.
 - R25.800 million was allocated for the construction of the Ndumo retail centre and petrol filling station. A portion of R800 000 was to cater for consultants fees relating to the construction of the Ndumo taxi rank and informal stalls.
- The department under-spent by R52.652 million in 2014/15 due to delays in the establishment of the SBGE, the World Routes 2015 conference, the East3 Route Legacy project, as well as difficulties in filling vacant posts.

In 2015/16:

- The department received a roll-over of R14.572 million, made up by R12 million for the World Routes 2015 conference and R2.572 million for EPWP Integrated Grant for Provinces which is utilised for the KZN Greening programme and IASP.
- Additional funds of R23.678 million were received including carry-through allocations to the KZNSB for MCOE operational costs (R6 million), TIK for TAF and marketing (R7 million) and KZNLA for the procurement of an IT system (R1.590 million). An amount of R4.088 million was allocated to cover the above-budget 2015 wage adjustment in respect of the department (R1.181 million), as well as EKZNW (R2.907 million). The balance of R5 million was for the Nelson Mandela Golf Championship event which was suspended from 2014/15 to 2015/16.
- The department under-spent by R13.534 million in 2015/16 due to the following:
 - The Digital Television in KZN project was initially assigned to the KZNFC, and later changed to a private enterprise.
 - The transfers in respect of the KZN Clothing and Textile cluster and the KZN Tooling Initiative were not made due to delays in the finalisation of SLAs.
 - Funds for the KZN Integrated Hub were not spent due to delays in the appointment of board members for the hub.
 - The Nelson Mandela Golf Tournament funds were not spent, because this event was postponed to December 2016.
 - The Tourism Enterprise partnership funding was not transferred due to failure to secure additional funding as per the agreement signed by the department and this entity.
 - The contract for the Vodacom Durban July was signed at a lower amount than budgeted for.

- o Funding for the Dundee July rural horse-racing event, whereby the transfer was not made because the municipality did not submit the close-out report before year-end.
- o The Renewable Energy project due to the fact that only half the budget was paid as anticipated in 2015/16.

In 2016/17:

- R23.925 million was allocated in the form of provincial cash resources, as follows:
 - o R9.240 million was allocated to EKZNW in respect of the rhino anti-poaching campaign for three years from 2016/17 to 2018/19.
 - o R6 million was allocated to the KZNSB for MCOE operational costs.
 - o R7 million was allocated to TIK for the TAF and marketing.
 - o R1.685 million was allocated to KZNLA for the procurement of an IT system.
- The department under-spent by R7.714 million in 2016/17 mainly due to delays in the implementation of IASP, as well as cost-cutting on items such as advertising, travel and subsistence, minor assets and catering. Furthermore, the budget for the Rationalisation of public entities project was not fully spent by year-end, as this project took longer than anticipated.

In 2017/18, R21.290 million was allocated in the form of provincial cash resources, as follows:

- R9.240 million was allocated to EKZNW in respect of the rhino anti-poaching campaign for three years from 2016/17 to 2018/19, as mentioned.
- R12.050 million once-off additional funding was allocated in the Adjustment Estimate in respect of the Radical Economic Transformation programme, in line with the commitment made by the MEC for Finance when tabling the 2017/18 MTEF budget in the Provincial Legislature.

As at the end of the third quarter, the department is anticipating to under-spend its 2017/18 budget by R7.946 million, largely because of delays in filling posts due to lengthy internal recruitment processes.

Funds were also allocated in the form of provincial cash resources to EKZNW in respect of the rhino anti-poaching campaign for 2018/19, as mentioned above.

6.2 Departmental receipts collection

Table 4.2 gives a summary of the receipts collected by the department. Details of departmental receipts are given in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	25 596	25 306	24 456	28 898	28 898	28 898	25 500	26 500	27 500
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	25 596	25 306	24 456	28 898	28 898	28 898	25 500	26 500	27 500
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	2 363	1 908	1 182	2 419	2 419	2 389	2 541	2 684	2 831
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 195	626	1 286	525	525	647	555	587	619
Interest, dividends and rent on land	5	8	64	6	6	2	7	7	7
Sale of capital assets	302	762	-	200	200	200	200	200	211
Transactions in financial assets and liabilities	105 700	35 116	5 065	56	56	672	60	63	66
Total	135 161	63 726	32 053	32 105	32 105	32 808	28 863	30 041	31 234

The KZNLA is responsible for the liquor licensing functions including, among others, the surveillance of the industry to ensure that rules of licences are adhered to, as the collection of licence fees is the major revenue source for the department. The increasing trend over the seven-year period was mainly due to the new licence tariffs based on the revised licence types. The 2017/18 budget was erroneously set too high and the department is amending this over the MTEF.

Sale of goods and services other than capital assets relates to state property rentals, parking fees, environmental authorisation licence application fees and commission on payroll deductions. The increase over the MTEF is inflationary related.

Fines, penalties and forfeits can be attributed to the once-off payment of fines by companies or individuals that transgress EIA regulations. The fluctuating trend is due to the uncertainty of the nature of this source as it depends on the offences reported, which explains the conservative budgeting over the 2018/19 MTEF.

Interest, dividends and rent on land relates to interest on outstanding debt, such as staff debts and is difficult to project due to its uncertain nature.

Sale of capital assets represents revenue collected in respect of redundant assets auctioned by the department. The revenue budget remains constant over the MTEF, only growing in 2020/21, due to the unpredictable nature of this item.

Transactions in financial assets and liabilities relates to recoveries of previous years' staff debts and expenditure, which are difficult to budget for. The substantial collection in 2014/15 relates to, among others, funds from Ithala's Equity Fund paid into the Provincial Revenue Fund, relating to the unallocated balance of the Equity Fund. The high collection in 2015/16 can be ascribed to funds returned from Ithala for the construction of a retail centre and a petrol filling station at Ndumo. The funds were returned to the Provincial Revenue Fund pending approval from the Ingonyama Trust to occupy the land, with an understanding that the funds would be allocated back to the department once the approval process is finalised. The 2017/18 Revised Estimate reflects that the department is anticipating to over-collect due to higher recovery of previous year's expenditure. The 2018/19 MTEF shows conservative budgeting due to the difficulty in accurately projecting for this source.

6.3 Donor funding – Nil

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Details are given in Section 8, and in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- National Treasury instructed departments to provide for an annual wage increase of 6.5, 6.3 and 6.5 per cent for each of the three years of the MTEF, respectively, as well as the 1.5 per cent annual pay progression. However, the department made provision for 28.7 per cent for 2018/19, 6.7 per cent for 2019/20 and 8.3 per cent for 2020/21 including the 1.5 per cent pay progression. The high growth in 2018/19 relates to the planned filling of 96 critical posts as detailed later in the report. However, the 2019/20 budget is not adequate, as it is below what is prescribed by National Treasury, and this will be reviewed by the department in the next budget process. The growth of 8.3 per cent in the outer years of the MTEF is driven by additional funding allocated for the above-budget wage adjustment.
- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 4.3 shows the additional funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 4.3 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(384 463)	(375 121)	(383 735)	(405 224)	(427 511)
Above-budget 2015 wage agreement	6 798	7 279	7 817	8 255	8 709
EKZNW - Above-budget 2015 wage agreement	3 116	3 328	3 555	3 754	3 961
EKZNW - Rhino anti-poaching	9 240	9 240	9 240	9 757	10 294
Freezing all vacant non-OSD posts	(10 000)	(10 620)	(11 278)	(11 910)	(12 565)
2% Goods and services cut	(39 511)	(23 992)	(26 151)	(27 615)	(29 134)
Cutting transfer to various entities	(354 106)	(360 356)	(366 918)	(387 465)	(408 776)
2017/18 MTEF period		(66 359)	(17 188)	(7 593)	(8 011)
EKZNW - Rhino anti-poaching		-	-	(9 757)	(10 294)
Susp. of balance of funds from SBGE to V7 for exchange rate pressures		(51 000)	-	-	-
PES and Provincial Own Revenue reductions		(11 148)	(12 745)	(22 606)	(23 849)
Budget cuts to fund the remuneration of <i>Izinduna</i>		(4 211)	(4 443)	(4 687)	(4 945)
Additional funding from National Treasury		-	-	29 457	31 077
2018/19 MTEF period					7 611
Above-budget wage agreement			-	-	7 611
Total	(384 463)	(441 480)	(400 923)	(412 817)	(427 911)

In the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities, the funding available to the province was reduced. Provinces were also instructed that the baselines of provincial DOH be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF. The effect of this on the department was a substantial reduction by R403.617 million, R394.968 million and R404.347 million over the period. The major impact of the baseline cuts was effected by the department against the allocation of DTPC, Ithala (for the Enterprise Development Fund, Small Business Growth Enterprise (SBGE) and KwaZulu-Natal Property Development Holdings (KZNPDH), EKZNW, TKZN, TIK, Moses Kotane Institute (MKI), KZNSB, KZNFC and the KwaZulu-Natal Growth Fund Trust (KZNGFT). The department also undertook a major reprioritisation exercise between its entities at the time. Expenditure on *Compensation of employees* was reduced by freezing vacant non-critical posts, while ensuring that funds are available to fill critical posts. The equitable share funded *Goods and services* budget was cut by 2 per cent.

Mitigating these cuts, to some extent, was additional funding of R19.154 million, R19.847 million and R20.612 million over the 2016/17 MTEF to cater for the Rhino anti-poaching activities and for the carry-through cost of the above-budget 2015 wage agreement for both the department and EKZNW.

In the 2017/18 MTEF, the department's budget was reduced by R51 million (in 2017/18 only), and these funds were moved to assist DOH with its exchange rate pressures relating to the procurement of medicines and medical supplies. This reduction was part of the funds not surrendered by the department when the 2016/17 EPRE was tabled. The amount was cut from the SBGE and the KZNPDH.

The department's PES allocation was cut due to data updates of the PES formula, as well as the Provincial Own Revenue reductions. The budget cuts were effected against *Goods and services* in Programme 6.

In addition, the Executive Council determined that the *Izinduna* in KZN must be remunerated, in line with Presidential proclamations in this regard. As such, Vote 11: COGTA provided 50 per cent of the required amount through reprioritisation of their budget, while the remaining 50 per cent was sourced by proportionately reducing all remaining Votes' budgets. The department's baseline was therefore reduced with carry-through from 2017/18. This cut was effected against *Goods and services* in Programme 6.

The allocation to EKZNW for Rhino anti-poaching funding was given for three years only, and the carry-through costs are therefore removed from the department's baseline in 2019/20.

Offsetting these budget cuts to some extent, is funding of R29.457 million provided by National Treasury in the outer year (2019/20) with carry-through.

In the 2018/19 MTEF, the department is allocated R7.611 million for the carry-through cost of the above-budget wage adjustment from 2020/21. These funds were allocated by National Treasury and were

allocated proportionately across all Votes. The funds were allocated against *Compensation of employees* in all programmes. It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R13.802 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

Tables 4.4 and 4.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2014/15 to 2020/21. The department has seven programmes and is made up of two sectors, as explained below.

The budget structure, in particular the Economic Development and Tourism sector, largely conforms to the uniform budget and programme structure for the sector and is made up of six programmes that are directly linked to the department's core functions. The main difference to the budget and programme structure for the sector is that, in KZN, Gambling and Betting falls under Vote 1: Office of the Premier.

The seventh programme is Environmental Affairs which largely conforms to the uniform programme structure for the Environmental Affairs sector, giving the required information by sub-programme and sub-sub-programme, because of the level of detail required by the sector.

Table 4.4 : Summary of payments and estimates by programme: Economic Development, Tourism and Environmental Affairs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	195 975	185 577	281 845	243 655	261 016	259 740	271 110	290 321	308 414
2. Integrated Economic Development Services	502 886	427 599	311 759	358 053	373 889	372 530	419 310	433 566	458 676
3. Trade and Sector Development	832 777	939 786	800 724	842 563	823 352	822 043	901 244	949 039	1 001 515
4. Business Regulation and Governance	104 536	96 704	100 278	112 662	105 311	104 738	120 145	126 882	134 244
5. Economic Planning	23 186	29 492	35 799	39 507	33 053	32 970	40 024	42 078	44 743
6. Tourism	362 705	375 674	246 708	231 549	225 862	225 310	247 786	296 052	312 827
7. Environmental Affairs	933 738	928 753	819 784	956 414	973 970	971 176	1 009 677	1 042 756	1 102 824
Total	2 955 803	2 983 585	2 596 897	2 784 403	2 796 453	2 788 507	3 009 296	3 180 694	3 363 243
Unauth. Exp. (1st charge) not available for spending	-	(236)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 955 803	2 983 349	2 596 897	2 784 403	2 796 453	2 788 507	3 009 296	3 180 694	3 363 243

Table 4.5 : Summary of payments and estimates by economic classification: Economic Development, Tourism and Environmental Affairs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	626 825	650 090	693 242	934 905	734 982	726 545	902 818	1 007 690	1 073 711
Compensation of employees	264 793	276 699	289 020	363 365	315 320	307 442	395 703	422 340	457 406
Goods and services	362 032	373 391	404 222	571 540	419 662	419 103	507 115	585 350	616 305
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 295 860	2 329 045	1 896 651	1 846 654	2 051 842	2 052 147	2 099 465	2 170 724	2 287 126
Provinces and municipalities	17 029	9 552	10 003	562	36 797	36 797	19 938	20 936	22 088
Departmental agencies and accounts	1 544 482	1 543 700	1 374 300	1 467 700	1 506 235	1 506 235	1 590 754	1 641 768	1 732 065
Higher education institutions	3 030	2 000	10 617	10 980	12 980	12 980	31 138	32 695	34 494
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	551 961	540 534	288 348	184 079	303 719	303 719	251 662	262 437	276 872
Non-profit institutions	164 515	222 421	200 098	180 673	188 323	188 323	198 577	206 588	214 960
Households	14 843	10 838	13 285	2 660	3 788	4 093	7 396	6 300	6 647
Payments for capital assets	33 107	3 843	5 288	2 844	9 629	9 764	7 013	2 280	2 406
Buildings and other fixed structures	28	17	-	-	-	-	-	-	-
Machinery and equipment	10 079	3 826	5 206	2 844	9 473	9 608	7 013	2 280	2 406
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	23 000	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	82	-	156	156	-	-	-
Payments for financial assets	11	607	1 716	-	-	51	-	-	-
Total	2 955 803	2 983 585	2 596 897	2 784 403	2 796 453	2 788 507	3 009 296	3 180 694	3 363 243
Unauth. Exp. (1st charge) not available for spending	-	(236)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 955 803	2 983 349	2 596 897	2 784 403	2 796 453	2 788 507	3 009 296	3 180 694	3 363 243

There is a fluctuating trend over the seven years, mainly relating to once-off additional funding shown in the peak in both 2014/15 and 2015/16 largely against *Transfers and subsidies to: Departmental agencies and accounts* and *Transfers and subsidies to: Public corporations and private enterprises*. The high 2015/16 amount can also be ascribed to once-off spending for the World Routes 2015 conference, explaining the decrease in 2016/17. The increase in the 2017/18 Adjusted Appropriation relates to once-off additional funding for the Radical Economic Transformation programme. The decrease in the Revised Estimate is largely due to delays in filling critical posts. The budget increases steadily over the MTEF.

The high spending in 2014/15 against Programme 1: Administration was largely due to payments in respect of the KZNGFT restructuring feasibility study, an independent Ithala repositioning analysis report, as well as a study undertaken into the rationalisation of public entities that fall under the department. Also contributing to the high spending was provision made for support services to the Environmental Affairs function, such as the finance and human resources directorates. This explains the decrease in 2015/16 which was also caused by delays in filling posts, and the moratorium on the filling of non-critical posts. The increase in 2016/17 relates to additional funding to cover the above-budget 2016 wage adjustment, as well as once-off expenditure for the Specialised Investment Advisory Team whose services were used as and when required by the department in terms of a SLA, resettlement costs for the relocation of the Ministry from Durban to Pietermaritzburg, among others. This explains the decrease in the 2017/18 Main Appropriation. The increase in the 2017/18 Adjusted Appropriation is ascribed to payments of invoices from 2016/17 for operating leases and property payments due to the late submission of invoices by the service providers responsible for cleaning and security services. In addition, costs for computer services, in particular datalines, were high because the department acquired more office space in Mtubatuba, Ixopo and Ladysmith to accommodate the Environmental Affairs staff. The decrease in the Revised Estimate is largely due to delays in filling posts. There is steady growth over the MTEF, and the budget caters for salaries, operational costs including audit costs, fleet services, operating leases for machinery, computer services for datalines, property payments, buildings leases, as well as anticipated maintenance costs of the head office and district offices. The budget provides for filling critical vacant posts including senior management positions such as Chief Financial Officer, Deputy Director-General: Administration, among others.

The high amount in 2014/15 against Programme 2: Integrated Economic Development Services was attributed to an additional transfer to ensure Ithala Limited maintains a certain minimum capital adequacy ratio percentage, as well as to provide for the Ndumo Regeneration programme, the Ithala turnaround strategy, and set-up costs for the SBGE. This explains the decrease in 2015/16. However, in 2015/16, additional funding was transferred to Ithala Limited again to ensure that it maintains the minimum capital adequacy ratio, and to enable it to settle a loan that was taken by DAC from Ithala to fund a portion of the Royalty Soapie Awards. This explains the further reduction in 2016/17, which was also exacerbated by the budget cuts effected over that period, as mentioned. In 2017/18, a major reprioritisation exercise was undertaken from other programmes to this programme to fund various projects, such as the Radical Economic Transformation programme, the Black Industrialists programme and the Revitalisation of Townships and Rural Economies. The further increase in the 2017/18 Adjusted Appropriation is ascribed to once-off additional funding for the Radical Economic Transformation programme. In the 2018/19 MTEF, provision is made for the KZN Youth Technical Skills Training and Placement project, continued implementation of the Black Industrialists programme, Operation Vula, establishment and support of the SMME Academy and SMME Hubs, co-operative skills training assigned to the uMfolozi TVET College, as well as Sakhinzuzo which is a sugarcane planting project for small-scale farmers implemented in partnership with Tongaat Hulett, explaining the strong growth over the outer years of the MTEF.

The trend against Programme 3: Trade and Sector Development is mainly influenced by the capital requirements of DTPC, RBIDZ, as well as the Industrial Economic Hubs. There is a peak in 2015/16 which was driven by once-off additional funding to RBIDZ for infrastructure development. This explains the dip in 2016/17. The decrease in the 2017/18 Adjusted Appropriation and Revised Estimate is mainly ascribed to the reduction in DTPC's transfer due to delays in the implementation of the TradeZone 2 project because of an appeal that was lodged by one of the bidders. These funds were moved to EKZNW for the maintenance of the Cathedral Peak Road, as well as staff accommodation in various reserves. There is healthy growth over the MTEF. The 2018/19 projects include Industrial Economic Hubs, implementation of various projects such as Msunduzi and Richards Bay ICT Incubators, Ladysmith Black Mambazo Music

Academy, KZN Music Cluster (KUMISA), KZN Economic Council, establishment of the Aerotropolis Institute, upgrades of Margate and Mkuze Airports, Edendale and Amajuba Auto Service Hubs, among others. This programme reflects strong growth over the MTEF, and includes transfers to DTPC and RBIDZ.

Programme 4: Business Regulation and Governance shows an erratic trend from 2014/15 to 2016/17. The high spending in 2014/15 was linked to once-off additional funding to cater for KZNLA's operational costs, as well as the carry-through allocation for the procurement of an IT system for the entity. This explains the decline in 2015/16, which was also exacerbated by the non-filling of vacant posts, as well as savings realised as a result of cost-cutting. The decrease in the 2017/18 Adjusted Appropriation and Revised Estimate was caused by lengthy internal recruitment processes, consumer awareness campaign events which were cancelled as a result of unforeseen circumstances, as well as cost-cutting on items such as advertising, travel and subsistence, minor assets and catering. These funds were moved to Programme 7 under EKZNW to cater for the maintenance of the Cathedral Peak Road, as well as staff accommodation in various reserves. The programme maintains inflationary growth over the MTEF. The MTEF includes transfers to KZNLA and projects such as the Business Licensing PMU and KZN Automated Licensing system which will enable businesses in KZN to apply on-line for trading licences and permit. Furthermore, the budget provides for the hosting of consumer awareness campaigns and workshops, the Integrated Case Management System and the development of a composite consumer index for KZN consumers.

Programme 5: Economic Planning reflects an increasing trend from 2014/15 to 2017/18, mainly linked to the cost of various research projects including the socio-economic impact of DTPC and inner-city regeneration projects, Green Economy Research, the development of an industrial development strategy, etc. The decline in the 2017/18 Adjusted Appropriation and Revised Estimate was mainly due to lengthy internal recruitment processes, and the decision made to cancel projects such as the fog-water harvesting and statistical database, in line with a pronouncement made by the MEC to minimise the use of consultants. Also, savings relating to cost-cutting on items such as advertising, travel and subsistence, minor assets and catering were moved to EKZNW in Programme 7 for the maintenance of the Cathedral Peak Road, as well as staff accommodation in various reserves. This accounts for the increase from 2017/18 to 2018/19. The budget shows steady growth over the MTEF and caters for research projects such as Industrial Symbiosis, the Provincial University Technology Transfer programme, the Solar photovoltaic (PV) Rooftop project, KZN bio-energy Action Plan, Kosi Bay Border Development and Cecil Mack's Border Development.

Programme 6's fluctuating trend from 2014/15 to 2016/17 was influenced by the cost of various events funded from the Strategic Cabinet Initiatives Fund, including the Volvo European Golf Championship, the Metro FM Awards, etc. The increase in 2015/16 was due to once-off spending in respect of the World Routes 2015 conference and increased transfers to TKZN for the Vodacom Durban July. This accounts for the reduction in 2017/18, which was also influenced by reprioritisation of funds from this programme over the MTEF to provide for projects such as the Black Industrialists programme, the Revitalisation of Townships and Rural Economies, the SMME Academy and Radical Economic Transformation in Programmes 2 and 3. Also, the 2016/17 and 2017/18 budget cuts were effected against this programme resulting in discontinuation and scaling down of some events, including the World Pro-am Golfer Championship and various December tourism-related events. The further decrease in the 2017/18 Adjusted Appropriation was due to lengthy internal recruitment processes and the Africa Business Summit which did not take place as planned in 2017/18, as well as cost-cutting on various items. These funds were moved to Programme 2 to cater for the Thokazi Royal Lodge upgrade and expansion of rooms and the construction of a conference venue assigned to Ithala, and Programme 7 for transfer to EKZNW for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves. The budget increases steadily over the MTEF, and includes events/projects, such as the Nelson Mandela Centenary celebrations, Tourism and Entrepreneurship Careers Expo, Mzumbe Trails, East3 Route, as well as the Tourism strategy for the Zululand, King Cetshwayo and uMkhanyakude District Municipalities.

Programme 7: Environmental Affairs shows a declining trend from 2014/15 to 2016/17. The high spending in 2014/15 was driven by the EPWP Integrated Grant for Provinces, where the department received a lower amount as a result of an error in allocation made by the National Department of Public Works (NDOPW) in 2013/14, and this was rectified in 2014/15. The decrease in 2015/16 was mainly due to delays in the implementation of IASP. The further decrease in 2016/17 can be ascribed to ongoing delays in IASP and

these funds were moved to Programme 1 to offset spending pressures. This programme reflects strong growth over the MTEF as EKZNW received additional funding as a result of the reprioritisation exercise undertaken within the department where funds were moved from *Goods and services*, as well as Ithala (Enterprise Development Fund, the SBGE and the KZNPDH) to this programme. As such, the transfer to EKZNW was increased from 2017/18. The further increase in the 2017/18 Adjusted Appropriation was mainly attributed to funds moved to EKZNW for the maintenance of the Cathedral Peak Road, as well as staff accommodation in various reserves, as mentioned. The budget over the 2018/19 MTEF provides for transfers to entities, such as EKZNW, WESSA and SAAMBR, and includes the budget for IASP, development of the greenhouse gas emission inventory for KZN, development of the carbon management plan web-portal system for government buildings, development of standards for small forestry plantations projects and development of the Dukuduku Forest Environmental Management Framework (EMF). Note that the additional funds for the rhino anti-poaching campaign were not allocated beyond 2018/19.

Compensation of employees growth is linked to the various wage agreements. In 2017/18, the department budgeted to fill vacant critical posts, but these were not filled, due to delays in recruitment processes, accounting for the reduction in the 2017/18 Adjusted Appropriation and Revised Estimate. These funds were moved to other categories to defray spending pressures. The high growth from 2017/18 to 2018/19 is linked to the planned filling of critical posts in 2018/19. The growth is adequate in 2018/19, as mentioned in Section 7.1, but not in the outer years and this will be reviewed in the next budget process. The department plans to fill 96 critical posts in 2018/19 and the growth of 27.21 per cent is adequate for this.

Goods and services shows an increasing trend from 2014/15 to 2017/18 with spending strongly influenced by various tourism-related events. The 2017/18 Adjusted Appropriation and Revised Estimate show a decrease which is ascribed to the decision made to cancel projects such as the fog-water harvesting and statistical database, in line with a pronouncement made by the MEC to minimise the use of consultants, consumer awareness campaign events which were cancelled as a result of unforeseen circumstances, the Africa Business Summit which did not take place as planned in 2017/18, as well as cost-cutting on items such as advertising, travel and subsistence, minor assets and catering. These funds were redirected for transfers to Ithala for the Thokazi Royal Lodge upgrade, as mentioned and EKZNW for the maintenance of the Cathedral Peak Road, as well as staff accommodation in various reserves. The allocation against this category increases at a steady rate over the 2018/19 MTEF, and caters for various projects such as the Radical Economic Transformation programme, the Black Industrialists, IASP, among others.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences, transfers to municipalities for the development of trading centres, rehabilitation and revitalisation of beaches, the Greenest Municipality Competition, among others. The high 2014/15 amount was due to once-off spending for events such as Africa Bike Week, the SMME Fair and Exhibition, Top Gear Festival, Drakensberg cable car consultations and the Tourism Route Strategy, which were administered by various municipalities, hence the decrease in 2015/16. The increase in 2016/17 relates to the transfer to the eThekweni Metro for various events including the South African Music Conference, the Durban Fashion Fair, the launch of the Essence Festival, Amakha Essential Oil and Woze Durban New Year's Picnic. Also contributing were transfers relating to the Ladysmith Airport, Richards Bay Airport, as well as the Ladysmith Black Mambazo Music Academy. The further increase in the 2017/18 Adjusted Appropriation relates to transfer for the Mkuze Airport to assist with the development of a terminal building and rehabilitation of the existing runway, the Richards Bay Airport feasibility study transferred to the uMhlathuze Municipality, the Amakha Essential Oil project transferred to the King Cetshwayo Municipality, the Kosi Bay Border Development project transferred to the uMhlathuze Municipality, the Cecil Mack's Border Development project implemented by the Jozini Municipality and the Innovation Forums initiative, because the department appointed Innovate Durban (an entity of the eThekweni Metro) to co-ordinate these forums. The 2018/19 allocation caters for various projects such as Mkuze and Margate Airports, Dukuduku Forest EMF, Ladysmith Black Mambazo Music Academy, KSIA Transport, as well as for motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts relates to entities, such as TIK, KZNSB, TKZN, KZNLA, DTPC and EKZNW. The high spending in 2014/15 was due to the additional allocation to TIK for TAF and marketing, as well as funding to KZNSB for MCOE operational costs. In addition, KZNLA received carry-through funding for the procurement of an IT system and substantial once-off

funding for its operational costs. Also contributing was a portion of EKZNW's road maintenance budget which was suspended from 2013/14. TIK received an increased transfer in respect of TAF for the Renewable Energy project as the entity was responsible for this project. TKZN received additional funding for the costs incurred through the participation in the 2014 Carnival International De Victoria in the Seychelles. In addition, the transfer to KZNSB was increased to cater for the once-off hosting of the Sharks International conference. This explains the decrease in 2015/16 which was also caused by a reduction in the DTPC transfer due to the entity's healthy positive cash balance. These funds were utilised to address pressures in other entities, such as RBIDZ and the KZNFC. The dip in 2016/17 was due to a major reprioritisation exercise undertaken by the department which resulted in the transfers to DTPC and EKZNW being reduced to fund other entities, such as the establishment of the SBGE and the KZNPDH, as well as additional funding requirements of the KZNFC, MKI and RBIDZ. The increase in the 2017/18 Adjusted Appropriation is attributable to increased transfers to TIK for the Youth in Manufacturing project, Productivity SA which is an Exporter Competitiveness programme aimed at the provision of a competitive advantage in relation to speed and accuracy for businesses, the DTPC in respect of ASP project, CSIR for the roll-out of the Wi-Fi Hotspots project, and the KZNLA for the Liquor Case Hearing project. Also contributing was the Africa Business Dialogue, the Metro FM Awards, transfers to the KZNSB for a structured and intensive maritime business incubation programme incorporating business training, mentorship, guidance and business support, transfer to EKZNW for the maintenance of the Cathedral Peak Road, as well as staff accommodation in various reserves. The department undertook reprioritisation to fund the additional funding requirements of EKZNW from 2017/18 onward, explaining the increase in this category. The budget for the 2018/19 MTEF thus shows strong growth.

The transfer payment made in 2014/15 against *Transfers and subsidies to: Higher education institutions* relates to the Manufacturing Survey done by UKZN to analyse the rate of survival within the sector, as well as challenges that manufacturing firms are facing in KZN. The spending in 2015/16 relates to funding for the Technology Transfer programme which was transferred to UKZN, MUT and DUT. The spike in 2016/17 was due to implementation of the Solar PV Rooftop project assigned to MUT and DUT, as well as the Technology Transfer programme. The further increase in the 2017/18 Adjusted Appropriation relates to a transfer to the Umfolozi TVET College for SMME Technical Skills Training. The budget over the 2018/19 MTEF which shows positive growth, provides for the Co-operative Technical Skills Training, the Technology Transfer programme and Solar PV Rooftop project.

Transfers and subsidies to: Public corporations and private enterprises consists of transfers to the Enterprise Development Fund under Ithala, which includes allocations for the establishment of the KZNPDH, as well as transfers to the RBIDZ and various other entities. The high 2014/15 amount relates to once-off funding to Ithala to maintain a certain minimum capital adequacy ratio percentage and for the construction of the Ndumo retail centre, petrol filling station, taxi rank and informal stalls, as well as for the Ithala turnaround strategy. Furthermore, the spending included events that were funded from the Strategic Cabinet Initiatives Fund for events, accounting for the decrease in 2015/16. However, in 2015/16 the RBIDZ received once-off additional funding for the acquisition of land, and this accounts for the significant decrease in 2016/17. In addition, funds were reduced from Ithala's Enterprise Development Fund, taking into account the entity's healthy positive cash balance. These funds were moved to other entities including DTPC, KZNSB, MKI and TKZN. In addition, funds were reduced from the department's budget and moved to DOH. The 2017/18 Main Appropriation reflects a dip due to the fact that the department undertook a reprioritisation exercise over the MTEF, where funds were reduced from entities under Ithala and added to EKZNW. Provision is also made for various projects including the KZN Fashion Council, KZN Clothing Textile Cluster, Music Cluster, the Ugu ICT Incubator and the Maritime Cluster, only in 2017/18, at this stage. The increase in the 2017/18 Adjusted Appropriation can be ascribed to additional funding to ensure that Ithala SOC Ltd addresses its minimum capital adequacy ratio requirements, and for the Radical Economic Transformation programme, as well as RBIDZ toward the gas and oil study project. Funds were also reprioritised to cater for tourism events. The budget increases steadily over the MTEF, and this largely provides for transfers to Ithala and its subsidiaries SBGE and KZNPH, as well as various transfers to a number of private enterprises.

Transfers and subsidies to: Non-profit institutions relates to funding for the KZNGFT, KZNFC, and MKI, as well as a number of transfers to NGOs. The increase in 2015/16 largely relates to the increased transfer

to MKI for the STEM Fund, and for security services costs for the entity, as well as to the KZNFC to fund the KZN Film Hub. This explains the decrease in the 2017/18 Main Appropriation. The increase in the 2017/18 Adjusted Appropriation relates to KZNFC to fund the Youth Film Production project, and a business plan required to inform the establishment of a multi-million Rand boatbuilding park at Durban Port's Bayhead. Boat builders and suppliers will be located in the park with the boats earmarked mostly for export purposes and will accommodate emerging and black-owned boatbuilding companies. Also contributing was a transfer in respect of the KZN Exporter Awards, paid to the Durban Chamber of Commerce and Industry which was responsible for co-ordinating the event. The MTEF budget caters for transfers to KZNGFT, KZNFC and MKI, and these are discussed in more detail in Section 7.7.

Transfers and subsidies to: Households relates to staff exit costs and external bursaries. This category shows a decreasing trend. The high spending in 2014/15 was driven by higher than anticipated staff exit costs. The external bursaries for the UKZN RLED initiative and the Co-operative Management Diploma were reduced from 2015/16 onward, as some students dropped out of the programme. The increase in the 2017/18 Adjusted Appropriation and Revised Estimate largely relates to higher than anticipated staff exit costs. The contract to offer these bursaries expires in 2018/19 and, as a result, no provision is made for some bursaries in 2019/20. Only the UKZN RLED initiative is catered for over the 2018/19 MTEF, explaining the declining growth over the MTEF. The MTEF budget provides for external bursaries only.

Buildings and other fixed structures reflects amounts in 2014/15 and 2015/16 which relate to security guard houses procured for the Dundee and Vryheid district offices, as well as the head office in Pietermaritzburg.

Machinery and equipment fluctuates over the period, largely due to the department's actual requirements. The high spending in 2014/15 was linked to reprioritisation from other categories to provide for the upgrading of the department's servers that was finalised in 2015/16. The increase in 2016/17 was mainly to provide for the procurement of water tanks for head office and district offices, in line with the department's drought relief initiative, as well as the replacement of computers. The increase in the 2017/18 Adjusted Appropriation and Revised Estimate is ascribed to office furniture due to the relocation of the Ministry office from the Marine building in Durban to Pietermaritzburg, the procurement of vehicles, the procurement of ambient air analyser machines (which are used to analyse air pollution in all districts), and the higher than anticipated costs of replacing computers and office equipment. This explains the decrease in 2018/19. The budget in 2018/19 provides for purchasing new and replacement air quality monitoring instruments and replacement of computer equipment. This explains the decrease in 2019/20.

Spending in 2014/15 against *Land and sub-soil assets* relates to the purchasing of land for the Industrial Economic Hubs at Ugu for perishable products, and uMgungundlovu in respect of a leather processing hub.

The spending against *Software and other intangible assets* in 2016/17 is ascribed to the purchase of Microsoft licences. The 2017/18 Adjusted Appropriation relates to the procurement of Microsoft licences, as well as software to assist a partially blind employee. No provision is made over the MTEF.

Payments for financial assets reflects various losses which were written-off. The amount in 2015/16 includes the first charge of R236 000 which was implemented in line with Section 34(2) of the PFMA.

7.4 Summary of conditional grant payments and estimates

Table 4.6 relates to the summary of conditional grant payments, by grant name and economic classification. Further details are provided in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*. Note that the historical figures set out in Table 4.6 reflect actual expenditure per grant, and should not be compared to the figures reflected in Table 4.1 which represent the actual receipts for the grant.

Table 4.6 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
EPWP Integrated Grant for Provinces	13 120	10 743	6 927	6 149	6 149	6 149	3 740	-	-
Total	13 120	10 743	6 927	6 149	6 149	6 149	3 740	-	-

The EPWP Integrated Grant for Provinces is allocated entirely against *Goods and services*. The bulk of this grant is used by Environmental Affairs for IASP and the KZN Greening programme. The high amount in 2014/15 relates to an incorrect allocation of only R550 000 (not evident in the table) in 2013/14 by NDOPW, which was rectified in 2014/15, thus an amount of R13.120 million was allocated in 2014/15. The department receives R3.740 million for this grant in 2018/19 to be used on IASP, with no allocation for the two outer years, at this stage.

7.5 Summary of infrastructure payments and estimates

Table 4.7 summarises the infrastructure payments and estimates by category for the department. A more detailed list of infrastructure projects to be undertaken by the department can be found in the *2018/19 Estimates of Capital Expenditure*.

Table 4.7 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets	28	17	-	-	-	-	-	-	-
Infrastructure transfers	540 747	632 186	463 691	493 524	469 564	469 564	530 513	560 222	591 034
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	540 747	632 186	463 691	493 524	469 564	469 564	530 513	560 222	591 034
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	540 775	632 203	463 691	493 524	469 564	469 564	530 513	560 222	591 034
Capital infrastructure	540 775	632 203	463 691	493 524	469 564	469 564	530 513	560 222	591 034
Current infrastructure	-	-	-	-	-	-	-	-	-

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

The department's infrastructure funding is largely allocated against *Infrastructure transfers: Capital* and mainly relates to the capital development projects of the DTPC and RBIDZ. The amounts against *New infrastructure assets: Capital* in 2014/15 and 2015/16 relate to the purchase of security guard houses for the Dundee and Vryheid district offices, as well as the head office in Pietermaritzburg.

With regard to the *Infrastructure transfers: Capital*, the increase in 2015/16 was due to once-off additional funding of R40 million allocated to RBIDZ for infrastructure projects, as well as for the acquisition of land which formed part of the first phase of the proposed RBIDZ expansion area as defined in the 50-year Master Plan. This explains the decrease in 2016/17. The further reduction in the 2017/18 Adjusted Appropriation relates to delays in the implementation of the TradeZone 2 project because an appeal was lodged by one of the bidders. These funds were used for the Mkuze Airport to assist with the development of a terminal building and the rehabilitation of an existing runway, and to assist EKZNW with the maintenance of the Cathedral Peak Road, as well as staff accommodation in various reserves. The MTEF budget grows at an inflationary rate and caters for both DTPC and RBIDZ capital projects, in line with their Master Plans. The DTPC capital projects include the multi-storey parkade on Blocks A and B at Dube City and the bulk earthworks at TradeZone 2, construction of the mini-factories at TradeZone 1, the ASP project, implementation of capital infrastructure projects of the Durban Aerotropolis Master Plan, the construction of the Hlawe River trunk sewer, as well as the double basement parkade in Block D at Dube City.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 4.8 provides a summary of departmental transfers to the public entities that fall under the auspices of the department. The financial summaries of the public entities are presented in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.8 : Summary of departmental transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other entities

			Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand			2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfers to public entities			1 949 585	2 001 379	1 648 939	1 707 213	1 851 203	1 851 203	1 874 601	1 938 453	2 045 068
Dube TradePort Corporation	3.1 Trade & Investment Pro.		515 375	477 780	387 223	415 817	392 657	392 657	468 695	478 268	504 573
Ezemvelo KwaZulu-Natal Wildlife	7.4 Biodiversity Management		703 395	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
of which:											
Bhambatha Lodge and Ingodini	6.2 Tourism Growth and Dev.		500	-	-	-	-	-	-	-	-
Bhambatha Lodge and Ingodini	7.4 Biodiversity Management		-	4 500	4 500	-	4 100	4 100	-	-	-
Cathedral Peak Road maintenance	7.4 Biodiversity Management		-	-	-	-	23 000	23 000	-	-	-
East3 Route Legacy project	7.4 Biodiversity Management		-	12 000	-	-	-	-	-	-	-
Invasive Alien Species Programme	7.4 Biodiversity Management		-	35 000	50 000	38 000	35 000	35 000	40 204	42 536	44 875
Ithala Game Reserve	7.4 Biodiversity Management		-	5 500	-	-	-	-	-	-	-
Ndumo Lodge upgrade	7.4 Biodiversity Management		-	-	-	-	1 000	1 000	-	-	-
Parthenium eradication	7.4 Biodiversity Management		-	-	-	-	5 000	5 000	-	-	-
Rhino anti-poaching	7.4 Biodiversity Management		-	-	9 240	9 240	9 240	9 240	9 240	-	-
Sakha Isibaya	7.4 Biodiversity Management		45 000	8 000	-	-	-	-	-	-	-
Staff accommodation	7.4 Biodiversity Management		-	-	-	-	19 000	19 000	-	-	-
Subsidy from Vote 4	7.4 Biodiversity Management		657 895	653 966	572 882	660 480	653 380	653 380	688 068	718 502	758 020
Ithala Development Finance Corporation	2.1 Enterprise Development		278 800	192 000	77 567	45 074	150 624	150 624	100 559	102 998	108 663
of which:											
Enterprise Development Fund	2.1 Enterprise Development		148 000	148 000	66 009	40 022	40 022	40 022	44 771	43 238	45 616
KZN Property Dev. Holdings SOC Ltd	2.1 Enterprise Development		-	7 500	3 403	2 000	2 000	2 000	-	-	-
Small Business Growth Enterprise	2.1 Enterprise Development		-	-	3 155	3 052	3 052	3 052	-	-	-
Industrial Economic Hub	2.1 Enterprise Development		-	-	5 000	-	-	-	-	-	-
Ithala	2.1 Enterprise Development		-	-	-	-	-	-	55 788	59 760	63 047
Ithala Limited and Turnaround strategy	2.1 Enterprise Development		105 000	29 900	-	-	60 000	60 000	-	-	-
Ndumo Regeneration programme	2.1 Enterprise Development		25 800	-	-	-	-	-	-	-	-
Drakensberg Cable Car - EIA	2.1 Enterprise Development		-	1 700	-	-	-	-	-	-	-
Royalty Soapie Awards	2.1 Enterprise Development		-	5 000	-	-	-	-	-	-	-
Donation: Mr Mqwebu Funeral	2.1 Enterprise Development		-	100	-	-	-	-	-	-	-
Radical Economic Transformation funding	2.1 Enterprise Development		-	-	-	-	40 050	40 050	-	-	-
Thokazi Royal Lodge	2.1 Enterprise Development		-	-	-	-	5 500	5 500	-	-	-
KwaZulu-Natal Film Commission	3.2 Sector Development		58 681	66 739	73 211	71 843	78 843	78 843	76 267	80 538	84 968
KwaZulu-Natal Liquor Authority	4.3 Liquor Regulation		77 282	70 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
KwaZulu-Natal Tourism Authority	6.2 Tourism Growth and Dev.		109 297	117 566	116 550	116 980	116 980	116 980	124 017	130 962	138 165
KwaZulu-Natal Sharks Board	6.2 Tourism Growth and Dev.		57 109	63 178	72 175	66 079	66 479	66 479	71 897	73 494	77 536
Richards Bay Industrial Development Zone	3.3 Strategic Initiatives		68 170	198 947	126 370	127 605	132 605	132 605	129 530	136 784	144 307
Trade and Investment KwaZulu-Natal	3.1 Trade & Investment Pro.		81 476	96 195	85 468	80 105	85 305	85 305	85 935	89 691	94 624
Transfers to other entities			314 403	307 276	224 424	136 219	160 054	160 054	197 530	205 035	213 323
14th Jazz Festival	6.2 Tourism Growth and Dev.		-	-	1 200	-	-	-	-	-	-
Aerotropolis Conference	3.2 Sector Development		-	104	411	-	-	-	-	-	-
Aerotropolis Institute	3.2 Sector Development		-	-	-	-	-	-	4 000	4 200	4 431
Aerotropolis Learnerships	3.2 Sector Development		-	-	-	-	-	-	1 000	1 050	1 108
Africa Fashion Exchange	3.2 Sector Development		-	-	-	-	1 000	1 000	-	-	-
Africa Ignite	6.2 Tourism Growth and Dev.		300	600	-	-	-	-	-	-	-
Africa Television Market	3.2 Sector Development		-	-	-	-	-	-	800	840	886
Amantshontsho Kamaskandi	6.2 Tourism Growth and Dev.		-	500	-	-	-	-	-	-	-
Annual Tourism Expo	6.2 Tourism Growth and Dev.		-	2 600	-	-	-	-	-	-	-
Anton Lembede Cultural Festival	6.2 Tourism Growth and Dev.		-	2 600	-	-	-	-	-	-	-
Battlefields Festival	6.2 Tourism Growth and Dev.		-	-	-	-	-	-	150	158	167
BEE Incubation and Mentorship	2.3 Economic Empowerment		-	-	1 000	-	-	-	-	-	-
Black Industrialists	2.3 Economic Empowerment		-	-	2 900	-	-	-	-	-	-
Career and Business Skills expo	2.1 Enterprise Dev.		-	-	2 500	-	-	-	-	-	-
City Broad Band	3.2 Sector Development		-	-	-	500	500	500	-	-	-
Coaching and Mentorship Dev. Prog.	2.3 Economic Empowerment		-	-	1 000	-	-	-	-	-	-
Commerce Edge	2.3 Economic Empowerment		-	-	200	-	440	440	-	-	-
Co-operatives Funding	2.1 Enterprise Dev.		27 890	8 086	2 000	-	350	350	-	-	-
CSIR - Biogas pilot/bio-energy research	5.2 Research and Dev.		-	-	2 500	2 500	2 500	2 500	-	-	-
CSIR - Industrial Symbiosis	5.2 Research and Dev.		-	-	-	2 500	2 500	2 500	2 500	2 625	2 769
CSIR - Wi-Fi Hotspots	5.2 Research and Dev.		-	-	-	-	1 500	1 500	-	-	-
Culture, Music and Food Festival	3.2 Sector Development		-	-	2 000	-	-	-	-	-	-
DBN Chamber of Commerce: Exporter Awards	3.1 Trade & Investment Pro.		-	-	160	800	-	-	-	-	-
District Trade and Investment Skills Dev.	3.1 Trade & Investment Pro.		-	-	-	-	-	-	150	158	167
Donation - "Stop Killing the Rhino" Campaign	1.2 Office of the HOD		-	90	-	-	-	-	-	-	-
Donation - Amantungwa Kholwa Annual Event	1.2 Office of the HOD		-	70	-	-	-	-	-	-	-
Donation - Destiny House, DBN SAPS Widows	1.2 Office of the HOD		129	-	-	-	-	-	-	-	-
Donation - Youth Leadership Training	1.1 Office of the MEC		-	96	-	-	-	-	-	-	-
Dukuduku Feasibility study	2.2 Regional and LED		-	-	-	-	-	-	500	525	554
Durban Chamber of Commerce	3.2 Sector Development		-	-	-	-	150	150	-	-	-
Durban Chamber of Commerce and Industry	2.3 Economic Empowerment		-	350	-	-	-	-	-	-	-
Durban Maritime Initiative Extravaganza	2.3 Economic Empowerment		-	1 190	-	-	-	-	-	-	-
Durban Summer Beach Festival	6.2 Tourism Growth and Dev.		1 200	1 200	1 121	-	1 000	1 000	-	-	-
DUT - Solar PV Rooftop	5.2 Research and Dev.		-	-	3 218	-	291	291	-	-	-
DUT - Univer. Tech Transfer prog	5.2 Research and Dev.		-	467	354	-	2 058	2 058	-	-	-
eThekweni Maritime Cluster	3.2 Sector Development		-	-	-	-	500	500	1 000	1 050	1 108
Fact Durban Rocks	6.2 Tourism Growth and Dev.		1 200	1 200	1 200	-	1 000	1 000	-	-	-
Future Leaders	2.3 Economic Empowerment		5 500	-	3 000	-	-	-	-	-	-
Greenville Renewable Energy	7.6 Envir. Services Support		-	300	-	-	-	-	-	-	-
Ifafa Industrial Park (IEH)	3.2 Sector Development		-	-	1 000	-	-	-	-	-	-
iLembe Chamber of Commerce	2.1 Enterprise Dev.		-	2 900	-	-	-	-	-	-	-
Impucuzeko Maskandi	6.2 Tourism Growth and Dev.		-	1 000	1 000	-	-	-	-	-	-
Indlamu	6.2 Tourism Growth and Dev.		2 900	1 500	1 500	-	500	500	-	-	-
INK ICT for Disability Entrepreneurship	3.2 Sector Development		-	-	-	-	-	-	1 000	1 050	1 108
INK Tourism Expo	6.2 Tourism Growth and Dev.		-	2 600	-	-	-	-	-	-	-
Inkundla Yamantungwa	6.2 Tourism Growth and Dev.		-	-	604	-	-	-	-	-	-
Junit Manufacturing - LED Clothing and Textile	2.2 Regional and LED		-	-	-	-	500	500	2 173	2 282	2 408

Table 4.8 : Summary of departmental transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other entities (cont.)

R thousand			Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
			2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
			314 403	307 276	224 424	136 219	160 054	160 054	197 530	205 035	213 323
Transfers to other entities											
Kasi Tour	6.2 Tourism Growth and Dev.		900	900	900	-	-	-	-	-	-
KwaDukuza Festival	6.2 Tourism Growth and Dev.		-	1 500	1 500	-	1 000	1 000	-	-	-
KwaZulu-Natal Growth Fund Trust	2.1 Enterprise Dev.		55 000	95 000	64 400	54 400	54 400	54 400	54 400	54 400	54 400
KZN Air Winter Show	6.2 Tourism Growth and Dev.		2 300	-	-	-	-	-	-	-	-
KZN Bio-energy Action Plan	5.2 Research and Dev.		-	-	-	-	-	-	3 000	3 150	3 323
KZN Clothing and Textile	3.2 Sector Development		700	-	700	-	-	-	1 000	1 050	1 108
KZN Fashion Council	3.2 Sector Development		3 000	3 000	6 655	2 000	3 500	3 500	3 500	3 675	3 877
KZN Liaison Campaign	6.2 Tourism Growth and Dev.		-	1 200	1 200	-	-	-	-	-	-
KZN Music Cluster	3.2 Sector Development		1 500	1 000	3 000	3 000	4 000	4 000	4 000	4 200	4 431
KZN SEDA	2.1 Enterprise Dev.		-	-	-	-	3 060	3 060	20 000	21 000	22 155
KZN Tooling Initiative	3.2 Sector Development		572	900	1 150	1 000	-	-	-	-	-
KZN Youth and Women Co-ops Bus and Indaba	2.3 Economic Empowerment		3 000	-	-	-	-	-	-	-	-
KZN Youth Expo	2.3 Economic Empowerment		-	-	2 000	-	-	-	-	-	-
LCFCFP: Agro-processing	2.2 Regional and LED		-	-	-	-	-	-	4 000	4 200	4 431
Manufacturing Survey	5.1 Policy and Planning		250	-	-	-	-	-	-	-	-
Manufacturing Youth Initiative	2.3 Economic Empowerment		-	1 954	-	-	-	-	-	-	-
Maphumulo Maskandi Festival	6.2 Tourism Growth and Dev.		-	2 200	-	-	-	-	-	-	-
Maritime Cluster	3.1 Trade & Investment Pro.		2 000	2 000	-	-	-	-	-	-	-
Maskandi Festival	3.2 Sector Development		-	-	-	-	600	600	-	-	-
Mentorship and Incubation	2.1 Enterprise Dev.		-	-	3 000	-	-	-	-	-	-
Metro Awards	6.2 Tourism Growth and Dev.		-	20 742	7 748	-	1 000	1 000	-	-	-
Mkhuze Airport	3.2 Sector Development		-	5 461	6 000	1 000	-	-	-	-	-
Mobility Centre	3.2 Sector Development		-	-	-	-	-	-	1 000	1 050	1 108
Moses Kotane Institute	3.1 Trade & Investment Pro.		38 478	49 577	53 822	47 550	47 550	47 550	50 131	52 938	55 850
Msunduzi Incubator	3.2 Sector Development		-	-	-	-	-	-	3 000	3 150	3 323
MTV Awards	6.2 Tourism Growth and Dev.		-	40 235	-	-	-	-	-	-	-
MUT - Chemical Manuf Sector Training	2.1 Enterprise Dev.		2 780	-	-	-	-	-	-	-	-
MUT - Mentorship and Incubation	2.1 Enterprise Dev.		-	-	2 000	-	-	-	-	-	-
MUT - Solar PV Rooftop	5.2 Research and Dev.		-	-	2 899	2 250	843	843	300	315	332
MUT - Univer. Tech Transfer prog	5.2 Research and Dev.		-	893	-	2 730	-	-	5 000	5 250	5 539
Nature, Envir. and Wildlife Filmmakers Congress	3.2 Sector Development		-	-	-	-	-	-	1 000	1 050	1 108
NYDA Funding Partnership	2.3 Economic Empowerment		-	-	-	-	2 000	2 000	-	-	-
Productivity SA	3.1 Trade & Investment Pro.		-	-	-	-	1 535	1 535	-	-	-
Provincial Innovation Forums	5.2 Research and Dev.		-	-	-	800	300	300	-	-	-
PSETA	1.4 Corporate Services		543	-	-	-	-	-	-	-	-
Richards Bay ICT Incubator	3.2 Sector Development		-	-	-	500	500	500	-	-	-
Richards Bay ICT Incubator	3.2 Sector Development		-	-	-	-	-	-	1 500	1 575	1 662
Richards Bay Imbizo	6.2 Tourism Growth and Dev.		-	1 500	1 500	-	-	-	-	-	-
Rural Training and Development	6.2 Tourism Growth and Dev.		-	-	2 000	-	-	-	-	-	-
SAAMBR	7.4 Biodiversity Management		5 540	5 795	6 102	6 407	6 407	6 407	6 779	7 159	7 553
SABC - TV Licences	1.1 Office of the MEC		5	7	9	9	9	9	9	10	11
SABC - Metro FM Awards	6.2 Tourism Growth and Dev.		-	-	-	-	4 000	4 000	-	-	-
SABC Summer Song 2015	6.2 Tourism Growth and Dev.		-	-	800	-	-	-	-	-	-
Service Excellence and Quality Assurance	6.3 Tourism Sector Transf.		-	-	-	-	-	-	250	265	280
Seventh Last Dance Music Festival	6.2 Tourism Growth and Dev.		-	-	1 300	-	1 000	1 000	-	-	-
Sibhudu Caves and KwaShushu Hot Springs	6.2 Tourism Growth and Dev.		-	-	-	-	-	-	1 200	1 260	1 329
Signature Africa	6.2 Tourism Growth and Dev.		-	1 500	-	-	-	-	-	-	-
Smart City Innovation ICT Hub	3.2 Sector Development		-	-	-	-	-	-	3 000	3 150	3 323
Spring Day Music explosion	6.2 Tourism Growth and Dev.		-	1 500	1 500	-	1 000	1 000	-	-	-
Strategic Cabinet Initiatives Fund - Events	6.2 Tourism Growth and Dev.		136 282	-	-	-	-	-	-	-	-
Teledialogue/ Telefestival	3.2 Sector Development		-	464	800	800	800	800	-	-	-
The Entrepreneur Programme	2.1 Enterprise Dev.		2 000	-	-	-	-	-	-	-	-
Tourism Enterprise Partnership	6.3 Tourism Sector Transf.		1 000	-	-	-	-	-	-	-	-
Tourism score	6.3 Tourism Sector Transf.		-	-	500	500	-	-	-	-	-
Trash to Cash	7.3 Envir. Quality Man.		-	-	1 500	-	-	-	-	-	-
Ugu ICT Incubator	3.2 Sector Development		3 500	2 788	2 700	500	500	500	-	-	-
Ugu Jazz Festival	6.2 Tourism Growth and Dev.		-	1 000	1 000	-	-	-	-	-	-
UKZN - Univer. Tech Transfer prog	5.2 Research and Dev.		-	640	1 046	-	485	485	-	-	-
UKZN RLED Initiative	2.2 Regional and LED		-	-	-	6 000	6 000	6 000	-	-	-
Umfolozo TVET College - Co-op's skills training	2.1 Enterprise Dev.		-	-	-	-	2 000	2 000	20 688	21 722	22 917
uMgababa New Year's Eve Picnic	6.2 Tourism Growth and Dev.		1 200	1 200	-	-	-	-	-	-	-
Umgungundlovu Midmar Festival	6.2 Tourism Growth and Dev.		-	-	1 200	-	1 000	1 000	-	-	-
Umtshayeli Marula Festival	6.2 Tourism Growth and Dev.		8 347	4 000	1 500	-	-	-	-	-	-
UNIZULU - Univer. Tech Transfer prog	5.2 Research and Dev.		-	-	1 100	-	1 303	1 303	-	-	-
Uthungulu Women Business Conference	2.3 Economic Empowerment		-	-	2 000	-	-	-	-	-	-
Vodacom Durban July	6.2 Tourism Growth and Dev.		-	2 117	-	-	-	-	-	-	-
WESSA	7.4 Biodiversity Management		400	400	440	473	473	473	500	528	557
Wildlife Conservation Trust	7.4 Biodiversity Management		5 987	4 310	1 823	-	-	-	-	-	-
Women Enterprise Development	2.3 Economic Empowerment		-	-	200	-	-	-	-	-	-
World Amateur Golfers Tournament	6.2 Tourism Growth and Dev.		-	7 900	-	-	-	-	-	-	-
World Pro-am Golfer Championship	6.2 Tourism Growth and Dev.		-	18 140	-	-	-	-	-	-	-
Wow Zulu Production - Ndumo Lodge Upgrade	6.2 Tourism Growth and Dev.		-	-	300	-	-	-	-	-	-
Youth Business Campaign	2.3 Economic Empowerment		-	-	2 000	-	-	-	-	-	-
Youth Grant Funding	2.3 Economic Empowerment		-	-	1 500	-	-	-	-	-	-
Youth in Agriculture	2.3 Economic Empowerment		-	-	3 762	-	-	-	-	-	-
Youth in Maritime	2.3 Economic Empowerment		-	-	2 000	-	-	-	-	-	-
Total			2 263 988	2 308 655	1 873 363	1 843 432	2 011 257	2 011 257	2 072 131	2 143 488	2 258 391

DTPC

The transfers to DTPC reduces from 2014/15 to the 2017/18 Adjusted Appropriation. From 2014/15 to 2015/16, the transfers were reduced due to the entity's positive cash balance. In 2016/17, reprioritisation was undertaken within the department to fund various priorities, in particular toward drought relief for EKZNW and the acquisition of land by the RBIDZ. In the 2017/18 Adjusted Appropriation, the transfer to DTPC was reduced due to delays in the implementation of the TradeZone 2 project because of an appeal that was lodged by one of the bidders. The 2018/19 budget includes once-off additional funding for the KZN Horticultural products and ASP project which are both assigned to DTPC. The budget over the MTEF shows steady growth and is mainly for capital projects, in line with the entity's 60-year Master Plan.

EKZNW

The transfers to EKZNW are largely to subsidise the entity's efforts in respect of nature conservation. The high transfer in 2014/15 was ascribed to the suspension of the road maintenance budget from 2013/14. Furthermore, the entity received once-off funding relating to suspension of parts of the road maintenance funds, as well as funding for the Sakha Isibaya project, which is geared at fencing Hluhluwe iMfolozi Park and building cattle kraals for the adjacent communities. The further increase in 2015/16 was due to an agreement between the department and the entity to be the implementing agent for projects, such as Sakha Isibaya, Nkululeko Development, IASP, East3 Route Legacy and the Parthenium Weed Clearing project, as well as additional funding for the above-budget 2015 wage adjustment. The increase in the 2017/18 Adjusted Appropriation relates to once-off funding reprioritised by the department for the maintenance of the Cathedral Peak Road, as well as staff accommodation in various reserves. The 2018/19 budget largely provides for the entity's subsidy, IASP with carry-through, as well as additional funding received toward the Rhino Anti-poaching effort from 2016/17 to 2018/19.

Ithala

The department transfers funds to Ithala on a project-specific basis and Ithala then oversees the financing and control of the projects, as well as the recovery of the loans. The transfers to Ithala reflect a declining trend from 2014/15 to the 2017/18 Adjusted Appropriation. In that period, Ithala received substantial funding in respect of Ithala share capital, to assist it with its capital adequacy ratio. Furthermore, funding was received for the Ndumo Regeneration programme, whereby the entity was commissioned to champion this integrated multi-purpose and multi-sectoral project to revitalise the Ndumo area, as well as funding to cover the loan taken by DAC for the Royalty Soapie Awards, KZNPDH, and once-off funding for conducting an EIA in respect of the Drakensberg cable car. In the 2017/18 Main Appropriation, the transfer to Ithala was reduced due to budget cuts effected and an internal reprioritisation exercise undertaken by the department to protect some of the departmental priorities. As such, decreases were effected against the transfer to the Enterprise Development Fund, with this funding being reprioritised to fund EKZNW. In 2017/18, the Radical Economic Transformation programme funding was administered by Ithala. The 2018/19 MTEF budget comprises provision for the Enterprise Development Fund, KZNPDH and SBGE.

KZNPDH was a subsidiary of Ithala aimed at facilitating strategic investment in fixed property in KZN. Provincial Treasury advised the department to ensure that correct procedures are followed in terms of receiving National Treasury approval for the establishment of this new entity, as required by the PFMA. The decrease in 2016/17 and 2017/18 is ascribed to the budget cuts effected against the department, as explained in Section 7.2. A reprioritisation exercise was undertaken by the department to fund EKZNW over the MTEF, and a decision was taken to close KZNPDH, hence there is no provision over the MTEF.

The SBGE was incubated under Ithala as a business unit. The transfer to the SBGE was affected by budget cuts from 2016/17 to 2017/18, as well as the reprioritisation undertaken by the department to fund EKZNW. There is no provision over the MTEF, as the SBGE has been wound-up in 2017/18 due to funding constraints.

KZNFC

KZNFC shows an increasing trend from 2014/15 to 2016/17. The transfer in 2016/17 included costs to set-up a KZN Film Fund, explaining the decrease in the 2017/18 Main Appropriation. The increase in the 2017/18 Adjusted Appropriation relates to once-off funding for the Youth Film Production project. The MTEF budget funds operational costs and the entity's projects, and reflects inflationary growth.

KZNLA

KZNLA was established to administer the collection of liquor licence fees and the issuing of liquor licences. The increase in 2014/15 relates to once-off additional funding for operational costs, and carry-through funding from 2014/15 to 2016/17 for the procurement of an IT system. The former explains the substantial decrease in 2015/16. The increase in the 2017/18 Adjusted Appropriation relates to once-off funding for the Liquor Case Hearing project conducted by the entity. There is inflationary growth over the MTEF, to cater for an increase in operational costs, in line with an anticipated filling of critical vacant posts such as Executive Manager: Compliance and Enforcement, Human Resource Manager, IT Manager and District Inspectors.

TKZN

The increased transfer to TKZN in 2015/16 was attributed to additional funding for the Tourism Indaba not transferred in previous years, Loeries Creative Week and the 2015 Vodacom Durban July, which explains the decrease in 2016/17. The allocations increase at an inflationary rate over the MTEF and include incubation programmes aimed at supporting SMMEs, in particular development initiatives aimed at African youth and women in both leisure and business tourism, among others.

KZNSB

The transfer to KZNSB in 2014/15 included once-off funding for hosting the Sharks International conference in June 2014, to promote the organisation as an internationally acclaimed centre for shark research. The increase in 2015/16 was attributed to once-off funding for hosting the 9th Western Indian Ocean Marine Science Association. The 2016/17 transfer included a once-off amount for the MCOE initiative to provide safe and reliable river crossing boats for the Mfolozi community, in partnership with the Mfolozi Municipality. This accounts for the decrease in the 2017/18 Main Appropriation. There is steady growth over the MTEF and the 2018/19 allocation includes once-off funding for the roll-out of an enterprise incubation programme, aimed at the development of women and youth businesses.

RBIDZ

The substantial increase in transfer to RBIDZ in 2015/16 was due to a once-off additional transfer for infrastructure and the acquisition of land which forms part of the first phase of the proposed RBIDZ expansion area, as defined in the 50-year Master Plan. This explains the decrease in 2016/17. However, the entity received an additional allocation in 2016/17 toward the acquisition of land, funded through the department's internal reprioritisation exercise. In the 2017/18 Adjusted Appropriation, additional funding was reprioritised for the gas and oil study project which was assigned to RBIDZ. The allocations to RBIDZ grow steadily over the MTEF.

TIK

TIK shows a peak in 2015/16 due to once-off funding for the East3 Route conference, as well as the Malaysian Investors Tour, hence the decrease in 2016/17. The further decrease in 2017/18 is linked to funding for the TAF and marketing, which was allocated from 2014/15 to 2016/17, and these funds were not carried through beyond 2016/17. TIK received additional funds in the 2017/18 Adjusted Appropriation for the Youth in Manufacturing project and the Africa Business Dialogue that took place in London. There is steady growth over the MTEF, and 2018/19 includes a once-off allocation for the KZN Investment and Export Strategy.

The department also transfers funds to other entities, such as KZNGFT and MKI which are not listed in terms of Schedule 3 of the PFMA, as explained below:

KZNGFT

KZNGFT was established to lend funds to commercially viable projects. In 2014/15 and 2016/17, the transfer to KZNGFT was reduced due to its healthy positive cash balance. In 2017/18, the budget for KZNGFT was reduced as a result the department's reprioritisation exercise and these funds were moved to fund EKZNW's pressures. This explains the decrease from 2017/18. The budget allocation for this entity remains unchanged from 2017/18 onward.

MKI

MKI was established to enhance economic development through STEM skills. The entity provides various interventions and support to schools, educators, learners and students in these areas for the economic growth and development needs of the province. The transfers to MKI reflect an increasing trend from 2014/15 to 2016/17. MKI received once-off funding in 2015/16 in respect of the STEM Fund and security services costs for the entity. In 2016/17, MKI received additional funding which was reprioritised by the department to cater for the STEM Fund, as well as for the set-up of the ICT Institute for Software Engineering and Business Process Outsourcing in eight TVET colleges in the province and for the ICT Hub. This explains the decrease in 2017/18. Over the MTEF, MKI will continue to provide STEM academic development and support programmes through a range of recognised interventions to enhance participation and success. The institute will introduce marketing programmes to improve awareness of and access to STEM careers, occupations and research. A key focus area is enhancing the knowledge and skills of educators in the areas of STEM, in order to ensure better performance by historically disadvantaged learners. MKI will also solicit funding and render financial assistance to youth and students seeking access to tertiary education in the areas of STEM, and will provide resources to schools responsible for the delivery of the STEM curriculum. The allocations grow steadily over the MTEF.

Transfers to various other entities were made relating to partnership funding and for major events, as reflected in Table 4.8. The increase in 2014/15 included the transfers paid to various private enterprises, mainly for events hosted by these enterprises in partnership with the department. In 2015/16, funding was allocated for KZN Tooling, KZN Craft Hub, continuation of the Ugu ICT incubator, and Tourism Enterprise partnership. In 2016/17, the department hosted a number of events such as the MTV Awards, Durban Vodacom July and Metro FM Awards, where the department appointed private enterprises as the event promoters. The increase in the 2017/18 Adjusted Appropriation caters for various tourism-related events including Metro FM Awards, the Woze Durban New Year's Picnic, the Music Explosion 2017, and the Last Dance Music Festival, among others. The budget over the MTEF includes transfers to the KZN SEDA for co-operative mentorship, Umfolozi TVET College for co-operative technical training, coaching and mentorship development programme, LED clothing and textile which will be transferred to a private enterprise, namely Junit Manufacturing, Aerotropolis Institute, KZN Fashion Council, Africa Television Market, KZN Music Cluster, eThekweni Maritime Cluster, the Nature, Environment and Wildlife Filmmakers (NEWF) Congress which is a platform for natural, environmental and wildlife filmmakers to engage, network and contribute towards the growth of content in the film and television industry, SAAMBR and WESSA.

7.8 Transfers to local government

Tables 4.9 and 4.10 indicate transfers to local government per category.

Details of these transfers are given in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

It is also noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the table below.

Table 4.9 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	5 417	4 000	4 500	-	1 500	1 500	3 000	3 150	3 323
Category B	9 593	1 000	4 000	-	3 350	3 350	2 500	2 625	2 769
Category C	1 995	4 500	1 500	500	31 900	31 900	14 375	15 094	15 925
Unallocated	-	-	-	-	-	-	-	-	-
Total	17 005	9 500	10 000	500	36 750	36 750	19 875	20 869	22 017

Table 4.10 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Africa Bike Week Event	6.2 Tourism Growth and Dev.	6 000	-	-	-	-	-	-	-	-
Amakha Essential Oil	3.1 Trade & Investment Pro.	-	-	1 500	-	2 800	2 800	-	-	-
Beaches Rehabilitation	6.1 Tourism Planning	900	1 000	-	-	-	-	-	-	-
Dev of EMFs and SEAs	7.3 Enviro Quality Mngmnt	1 000	4 500	-	-	-	-	1 000	1 050	1 108
Drakensberg Cable Car consultation	6.2 Tourism Growth and Dev.	1 793	-	-	-	-	-	-	-	-
Dundee July Event	6.3 Tourism Sector Transf.	495	-	-	-	-	-	-	-	-
Durban Fashion Fair	3.2 Sector Development	-	500	500	-	-	-	-	-	-
Essence Festival	2.3 Economic Empowerment	-	500	500	-	-	-	-	-	-
eThekwini Innovation Forum Initiative	5.1 Policy and planning	-	-	500	-	500	500	-	-	-
Greenest Munic. Comp	7.3 Enviro Quality Mngmnt	900	-	-	-	-	-	-	-	-
Ingodini Study	6.2 Tourism Growth and Dev.	-	-	-	500	1 000	1 000	-	-	-
Jozini: Cecil Mack's Border Dev	5.1 Policy and planning	-	-	-	-	1 300	1 300	1 300	1 365	1 440
Koppie Guesthouse	6.2 Tourism Growth and Dev.	-	-	-	-	-	-	500	525	554
Kosi Bay Border Dev	5.1 Policy and planning	-	-	-	-	1 250	1 250	1 200	1 260	1 329
KSIA Transport	3.2 Sector Development	-	-	-	-	-	-	3 000	3 150	3 323
Ladysmith Airport	3.2 Sector Development	-	-	2 000	-	-	-	-	-	-
Ladysmith Black Mambazo Mus. Acad.	3.2 Sector Development	-	-	1 000	-	-	-	3 000	3 150	3 323
Margate Airport	3.2 Sector Development	-	-	-	-	-	-	3 000	3 150	3 323
Mkuze Airport	3.2 Sector Development	-	-	-	-	28 100	28 100	2 000	2 100	2 216
Mkuze Falls	6.2 Tourism Growth and Dev.	-	-	-	-	-	-	500	525	554
Mzube Trails	6.2 Tourism Growth and Dev.	-	-	-	-	-	-	2 000	2 100	2 216
Nkungumathe Lodge	6.2 Tourism Growth and Dev.	-	-	-	-	-	-	275	289	305
Richards Bay Airport	3.2 Sector Development	-	-	1 000	-	800	800	-	-	-
SMME Fair and Exhibition	2.3 Economic Empowerment	992	-	-	-	-	-	-	-	-
South African Music Conference	2.1 Enterprise Development	-	1 500	1 500	-	-	-	-	-	-
Top Gear Festival	6.2 Tourism Growth and Dev.	4 425	-	-	-	-	-	-	-	-
Tourism Route Strategy	6.1 Tourism Planning	500	-	-	-	-	-	2 100	2 205	2 326
Woze Durban New Year's Picnic	6.2 Tourism Growth and Dev.	-	1 500	1 500	-	1 000	1 000	-	-	-
Total		17 005	9 500	10 000	500	36 750	36 750	19 875	20 869	22 017

Regarding Category A:

- In 2014/15, the eThekwini Metro received funds for the SMME Fair and Exhibition that was hosted in partnership by the department in partnership with the eThekwini Metro. Also included was once-off funding that was transferred to the eThekwini Metro which was responsible for constructing infrastructure relating to the Top Gear Festival.
- Transfers were paid to the eThekwini Metro for the Durban Fashion Fair, the launch of the Essence Festival and Woze Durban New Year's Picnic, as the Metro was assigned to co-ordinate these events on behalf of the department from 2015/16 to 2017/18. Transfers in respect of the South African Music Conference were also made to the Metro from 2015/16 to 2016/17.
- In 2016/17 and 2017/18, the department appointed Innovate Durban (an entity under the eThekwini Metro) to facilitate the Innovation Forums initiatives and to co-ordinate the Techno-hubs forums.
- The 2018/19 MTEF caters for KSIA Transport which will be transferred to the eThekwini Metro.

With regard to Category B:

- The Greenest Municipality Competition falls under Environmental Affairs, and transfers were made in 2014/15 to municipalities that participated and won the competition.
- Also, in 2014/15, transfers were made for the Drakensberg cable car consultations in respect of the Okhahlamba Municipality.
- Transfers were paid for the revitalisation of Dokodweni Beach in the Mandeni Municipality in 2014/15, as well as the rehabilitation of South Port Beach in the Ray Nkonyeni Municipality. The transfer made in 2015/16 relates to the rehabilitation of beaches in the KwaDukuza Municipality.
- In 2014/15, the department transferred R6 million for the Africa Bike Week event that was hosted by the Ray Nkonyeni Municipality.

- In 2016/17, transfers were paid in respect of the Ladysmith Airport for assisting with the development of an integrated Master Plan and infrastructure upgrades and the Ladysmith Black Mambazo Music Academy in the Alfred Duma Municipality. In addition, transfers to the uMhlathuze Municipality were made for the Richards Bay Airport, mainly for a feasibility study from 2016/17 to 2017/18.
- The department allocated funding from 2017/18 and over the 2018/19 MTEF to the uMhlabuyalingana Municipality in respect of Kosi Bay Border Development and to Jozini Municipality for the Cecil Mack's Border Development. This budget grows at an inflationary rate over the MTEF.

Regarding Category C:

- In 2014/15, transfers were paid in respect of the Dundee July rural horse racing event which was held in the uMzinyathi District Municipality.
- In 2014/15, a transfer was made for the Tourism Route Strategy in respect of the Harry Gwala District Municipality. Allocations over the MTEF are made in respect of the Tourism strategy for the Zululand, uMkhanyakude and King Cetshwayo District Municipalities.
- In 2015/16, a transfer of R1 million was made to the uMzinyathi District Municipality for the development of EMFs and Strategic Environmental Assessments (SEAs). In 2015/16, a transfer of R4.500 million was made to the Amajuba, Zululand, King Cetshwayo and Harry Gwala District Municipalities for the development of EMFs and SEAs.
- The department made provision of R1 million to fund an Ingodini study and transfer was paid to the uMkhanyakude District Municipality in 2017/18 in this regard.
- The 2018/19 MTEF allocations provide for various projects such as Mkuze Airport, Mkuze Falls and Dukuduku Forest EMF, Ladysmith Black Mambazo Music Academy, Nkungumathe Lodge and Koppie Guesthouse, Margate Airport and Mzumbe Trails projects, and these are assigned to the Ugu, uMkhanyakude, Zululand and King Cetshwayo District Municipalities.

7.9 Transfers and subsidies

Table 4.11 is a summary of spending on *Transfers and subsidies* by programme and main category.

Transfers against *Households* in Programmes 1 and 2 relate to staff exit costs and external bursaries for non-employees. Over the MTEF, no provision is made for staff exit costs due to its unpredictable nature, however, this will be reviewed in-year.

The *Transfers and subsidies* under Programme 1 are as follows:

- *Provinces and municipalities* provides mainly for motor vehicle licences.
- *Departmental agencies and accounts* caters for transfers to SABC for TV licences.
- *Public corporations and private enterprises* makes provision for donations made for the "Stop Killing the Rhino" campaign which was conducted by the Sakhisizwe Management Agency in the Mtubatuba area, a donation for the Youth Leadership Training held at Umlazi, Durban, as well as a donation made to the Amantungwa Kholwa Annual event. There is no allocation made for this over the MTEF.
- *Non-profit institutions* in 2014/15 relates to a donation to Destiny House, where the department purchased computers and provided for transport and meals for Grade 12 learners in various districts to be exposed in the tourism and hospitality field. In addition, a donation was made in respect of the Durban SAPS widows and orphans fund, toward fundraising through a golf day event.
- *Households* relates to bursaries for people with disabilities, which are transferred through the Indumezulu Trust. Provision is made for bursaries up to 2018/19 only.

Table 4.11 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	1 804	1 297	2 962	620	749	749	582	77	82
Provinces and municipalities	24	52	3	62	47	47	63	67	71
Motor vehicle licences	24	52	3	62	47	47	63	67	71
Departmental agencies and accounts	548	7	9	9	9	9	9	10	11
PSETA	543	-	-	-	-	-	-	-	-
SABC TV licences	5	7	9	9	9	9	9	10	11
Public corporations and private enterprises	-	256	-	-	-	-	-	-	-
Donation - "Stop Killing the Rhino" Campaign	-	90	-	-	-	-	-	-	-
Donation - Amantungwa Kholwa Annual Event	-	70	-	-	-	-	-	-	-
Donation - Youth Leadership Training	-	96	-	-	-	-	-	-	-
Name of transfer payment									
Non-profit institutions	129	-	-	-	-	-	-	-	-
Donation - Destiny House, DBN SAPS Widows	129	-	-	-	-	-	-	-	-
Households	1 103	982	2 950	549	693	693	510	-	-
Bursaries	999	499	519	549	549	549	510	-	-
Staff exit costs	104	483	2 431	-	144	144	-	-	-
2. Integrated Economic Development Services	388 776	311 575	184 656	107 085	220 985	220 985	209 206	213 427	222 175
Provinces and municipalities	992	2 000	2 000	-	-	-	-	-	-
Essence Festival	-	500	500	-	-	-	-	-	-
SMME Fair and Exhibition	992	-	-	-	-	-	-	-	-
South African Music Conference	-	1 500	1 500	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	5 060	5 060	20 000	21 000	22 155
KZN SEDA	-	-	-	-	3 060	3 060	20 000	21 000	22 155
NYDA Funding Partnership	-	-	-	-	2 000	2 000	-	-	-
Higher education institutions	2 780	-	2 000	6 000	8 000	8 000	20 688	21 722	22 917
MUT - Chemical Manuf Sector Training	2 780	-	-	-	-	-	-	-	-
MUT - Mentorship and Incubation	-	-	2 000	-	-	-	-	-	-
UKZN RLED Initiative	-	-	-	6 000	6 000	6 000	-	-	-
Umfolozo TVET College - Co-op's skills training	-	-	-	-	2 000	2 000	20 688	21 722	22 917
Public corporations and private enterprises	317 190	206 480	106 629	45 074	151 914	151 914	107 232	110 005	116 056
BEE Incubation and Mentorship	-	-	1 000	-	-	-	-	-	-
Black Industrialists	-	-	2 900	-	-	-	-	-	-
Career and Business Skills expo	-	-	2 500	-	-	-	-	-	-
Coaching and Mentorship Dev Programme	-	-	1 000	-	-	-	-	-	-
Commerce Edge	-	-	200	-	440	440	-	-	-
Co-operatives Funding	27 890	8 086	2 000	-	350	350	-	-	-
Dukuduku Feasibility study	-	-	-	-	-	-	500	525	554
Durban Chamber of Commerce and Industry	-	350	-	-	-	-	-	-	-
Durban Maritime Initiative Extravaganza	-	1 190	-	-	-	-	-	-	-
Future Leaders	5 500	-	3 000	-	-	-	-	-	-
iLembe Chamber of Commerce	-	2 900	-	-	-	-	-	-	-
Ithala	278 800	192 000	77 567	45 074	150 624	150 624	100 559	102 998	108 663
Junit Manufacturing LED Clothing and Textile	-	-	-	-	500	500	2 173	2 282	2 408
KZN Youth and Women Co-ops Bus and Indaba	3 000	-	-	-	-	-	-	-	-
KZN Youth Expo	-	-	2 000	-	-	-	-	-	-
LCFCFP: Agro-processing	-	-	-	-	-	-	4 000	4 200	4 431
Manufacturing Youth Initiative	-	1 954	-	-	-	-	-	-	-
Mentorship and Incubation	-	-	3 000	-	-	-	-	-	-
The Entrepreneur Programme	2 000	-	-	-	-	-	-	-	-
Uthungulu Women Business Conference	-	-	2 000	-	-	-	-	-	-
Women Enterprise Development	-	-	200	-	-	-	-	-	-
Youth Business Campaign	-	-	2 000	-	-	-	-	-	-
Youth Grant Funding	-	-	1 500	-	-	-	-	-	-
Youth in Agriculture	-	-	3 762	-	-	-	-	-	-
Youth in Maritime	-	-	2 000	-	-	-	-	-	-
Non-profit institutions	55 000	95 000	64 400	54 400	54 400	54 400	54 400	54 400	54 400
KZN Growth Fund Trust	55 000	95 000	64 400	54 400	54 400	54 400	54 400	54 400	54 400
Households	12 814	8 095	9 627	1 611	1 611	1 611	6 886	6 300	6 647
Bursaries	12 697	7 995	9 540	1 611	1 611	1 611	6 886	6 300	6 647
Staff exit costs	117	100	87	-	-	-	-	-	-
3. Trade and Sector Development	773 513	905 455	756 670	753 520	784 312	784 394	847 508	877 017	925 255
Provinces and municipalities	-	500	6 000	-	31 700	31 700	11 000	11 550	12 185
Amakha Essential Oil	-	-	1 500	-	2 800	2 800	-	-	-
Durban Fashion Fair	-	500	500	-	-	-	-	-	-
KSIA Transport	-	-	-	-	-	-	3 000	3 150	3 323
Ladysmith Airport	-	-	2 000	-	-	-	-	-	-
Ladysmith Black Mambazo Music Academy	-	-	1 000	-	-	-	3 000	3 150	3 323
Margate Airport	-	-	-	-	-	-	3 000	3 150	3 323
Mkuze Airport	-	-	-	-	28 100	28 100	2 000	2 100	2 216
Richards Bay Airport	-	-	1 000	-	800	800	-	-	-
Departmental agencies and accounts	596 851	573 975	472 691	495 922	480 997	480 997	554 630	567 959	599 197
DTPC	515 375	477 780	387 223	415 817	392 657	392 657	468 695	478 268	504 573
Productivity SA	-	-	-	-	1 535	1 535	-	-	-
TIK	81 476	96 195	85 468	80 105	85 305	85 305	85 935	89 691	94 624
Wi-Fi Hot Spots	-	-	-	-	1 500	1 500	-	-	-

Table 4.11 : Summary of transfers and subsidies by programme and main category (cont.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
3. Trade and Sector Development	773 513	905 455	756 670	753 520	784 312	784 394	847 508	877 017	925 255
Higher education institutions	-	-	-	-	-	-	5 150	5 408	5 706
Aerotropolis Institute	-	-	-	-	-	-	4 000	4 200	4 431
Aerotropolis Leasherships	-	-	-	-	-	-	1 000	1 050	1 108
District Trade and Investment Skills Dev.	-	-	-	-	-	-	150	158	167
Public corporations and private enterprises	79 442	214 664	150 946	137 705	144 005	144 005	139 830	147 599	155 717
Aerotropolis conference	-	104	411	-	-	-	-	-	-
Africa Fashion Exchange	-	-	-	-	1 000	1 000	-	-	-
Africa Television Market	-	-	-	-	-	-	800	840	886
City Broad Band	-	-	-	500	500	500	-	-	-
Culture, Music and Food Festival	-	-	2 000	-	-	-	-	-	-
Ifafa Industrial Park (IEH)	-	-	1 000	-	-	-	-	-	-
KZN Clothing and Textile Cluster	700	-	700	-	-	-	1 000	1 050	1 108
KZN Fashion Council	3 000	3 000	6 655	2 000	3 500	3 500	3 500	3 675	3 877
KZN Integrated Hub	-	-	-	-	-	-	-	-	-
KZN Integrated Hub/KZN Exporter Awards	-	-	160	800	-	-	-	-	-
KZN Music Cluster (KUMISA)	1 500	1 000	3 000	3 000	4 000	4 000	4 000	4 200	4 431
KZN Tooling Initiative	572	900	1 150	1 000	-	-	-	-	-
Maritime Cluster	2 000	2 000	-	-	-	-	-	-	-
Maskandi Festival	-	-	-	-	600	600	-	-	-
Mkuze Airport	-	5 461	6 000	1 000	-	-	-	-	-
Mobility Centre	-	-	-	-	-	-	1 000	1 050	1 108
RBIDZ	68 170	198 947	126 370	127 605	132 605	132 605	129 530	136 784	144 307
Richards Bay ICT Incubator	-	-	-	500	500	500	-	-	-
Teledialogue/ Telefestival	-	464	800	800	800	800	-	-	-
Ugu ICT Incubator	3 500	2 788	2 700	500	500	500	-	-	-
Non-profit institutions	97 159	116 316	127 033	119 393	127 043	127 043	136 898	144 501	152 450
DBN Chamber of Commerce: Exporter Awards	-	-	-	-	150	150	-	-	-
eThekweni Maritime Cluster	-	-	-	-	500	500	1 000	1 050	1 108
INK ICT for Disability Entrepreneurship	-	-	-	-	-	-	1 000	1 050	1 108
KZNFC	58 681	66 739	73 211	71 843	78 843	78 843	76 267	80 538	84 968
MKI	38 478	49 577	53 822	47 550	47 550	47 550	50 131	52 938	55 850
Msunduzi Incubator	-	-	-	-	-	-	3 000	3 150	3 323
Nature, Envir. and Wildlife Filmmakers Congr.	-	-	-	-	-	-	1 000	1 050	1 108
Richards Bay ICT Incubator	-	-	-	-	-	-	1 500	1 575	1 662
Smart City Innovation ICT Hub	-	-	-	-	-	-	3 000	3 150	3 323
Households	61	-	-	500	567	649	-	-	-
Durban Aerotropolis Learnership	-	-	-	500	500	500	-	-	-
Staff exit costs	61	-	-	-	67	149	-	-	-
4. Business Regulations and Governance	77 407	70 065	74 188	75 990	77 990	77 990	80 189	84 680	89 337
Departmental agencies and accounts	77 282	70 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
KZNLA	77 282	70 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
Households	125	57	435	-	-	-	-	-	-
Staff exit costs	125	57	435	-	-	-	-	-	-
5. Economic Planning	266	2 031	11 617	10 780	13 330	13 330	13 300	13 965	14 732
Provinces and municipalities	-	-	500	-	3 050	3 050	2 500	2 625	2 769
Jozini - Cecil Mack's Border Dev	-	-	-	-	1 300	1 300	1 300	1 365	1 440
Provincial Innovation Forums	-	-	500	-	500	500	-	-	-
Umlabuyalingana - Kosi Bay Border Dev	-	-	-	-	1 250	1 250	1 200	1 260	1 329
Departmental agencies and accounts	-	-	2 500	5 000	5 000	5 000	2 500	2 625	2 769
Bio-Gas Partner with SA Canegrowers	-	-	2 500	2 500	2 500	2 500	-	-	-
Industrial Symbiosis	-	-	-	2 500	2 500	2 500	2 500	2 625	2 769
Higher education institutions	250	2 000	8 617	4 980	4 980	4 980	5 300	5 565	5 871
DUT - Univer. Tech Transfer prog	-	467	354	-	2 058	2 058	-	-	-
Manufacturing Survey	250	-	-	-	-	-	-	-	-
MUT - Univer. Tech Transfer prog	-	893	-	2 730	-	-	5 000	5 250	5 539
Solar PV Rooftop: DUT	-	-	3 218	-	291	291	-	-	-
Solar PV Rooftop: MUT	-	-	2 899	2 250	843	843	300	315	332
UKZN - Univer. Tech Transfer prog	-	640	1 046	-	485	485	-	-	-
UNIZULU - Univer. Tech Transfer prog	-	-	1 100	-	1 303	1 303	-	-	-
Public corporations and private enterprises	-	-	-	800	300	300	3 000	3 150	3 323
KZN Bio-energy Action Plan	-	-	-	-	-	-	3 000	3 150	3 323
Provincial Innovation Forums	-	-	-	800	300	300	-	-	-
Households	16	31	-	-	-	-	-	-	-
Staff exit costs	16	31	-	-	-	-	-	-	-

Table 4.11 : Summary of transfers and subsidies by programme and main category (cont.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
6. Tourism	336 648	302 678	219 798	184 059	196 959	197 155	202 889	211 783	223 432
Provinces and municipalities	14 113	2 500	1 500	500	2 000	2 000	5 375	5 644	5 955
Africa Bike Week event	6 000	-	-	-	-	-	-	-	-
Beach Rehabilitation	900	1 000	-	-	-	-	-	-	-
Drakensberg Cable Car consultation	1 793	-	-	-	-	-	-	-	-
Dundee July	495	-	-	-	-	-	-	-	-
Ingodini study	-	-	-	500	1 000	1 000	-	-	-
Koppie Guesthouse: Mahlalela Comm. Trust	-	-	-	-	-	-	500	525	554
Mkuze Falls	-	-	-	-	-	-	500	525	554
Mzumbe Trails	-	-	-	-	-	-	2 000	2 100	2 216
Nkungumathe Lodge	-	-	-	-	-	-	275	289	305
Top Gear Festival	4 425	-	-	-	-	-	-	-	-
Tourism Route Strategy - various municipalities	500	-	-	-	-	-	2 100	2 205	2 326
Woze Durban New Year's Picnic	-	1 500	1 500	-	1 000	1 000	-	-	-
Departmental agencies and accounts	166 906	180 744	188 725	183 059	187 459	187 459	195 914	204 456	215 701
EKZNW (Bhambatha Lodge and Ingodini)	500	-	-	-	-	-	-	-	-
KZNSB	57 109	63 178	72 175	66 079	66 479	66 479	71 897	73 494	77 536
SABC: Metro FM Awards	-	-	-	-	4 000	4 000	-	-	-
TKZN	109 297	117 566	116 550	116 980	116 980	116 980	124 017	130 962	138 165
Public corporations and private enterprises	155 329	118 834	29 273	500	7 500	7 500	1 600	1 683	1 776
14th Jazz Festival	-	-	1 200	-	-	-	-	-	-
Amantshontsho Maskandi	-	500	-	-	-	-	-	-	-
Annual Tourism Expo	-	2 600	-	-	-	-	-	-	-
Anton Lembede Cultural Festival	-	2 600	-	-	-	-	-	-	-
Battlefields Festival	-	-	-	-	-	-	150	158	167
Durban Summer Beach Festival	1 200	1 200	1 121	-	1 000	1 000	-	-	-
Fact Durban Rocks	1 200	1 200	1 200	-	1 000	1 000	-	-	-
Impucuzeko Maskandi Festival	-	1 000	1 000	-	-	-	-	-	-
Indlamu	2 900	1 500	1 500	-	500	500	-	-	-
INK Tourism Expo	-	2 600	-	-	-	-	-	-	-
Inkundla Yamantungwa	-	-	604	-	-	-	-	-	-
Kasi Tour	900	900	900	-	-	-	-	-	-
KwaDukuza Festival	-	1 500	1 500	-	1 000	1 000	-	-	-
KZN Air Winter Show	2 300	-	-	-	-	-	-	-	-
KZN Liaison Campaign	-	1 200	1 200	-	-	-	-	-	-
Maphumulo Maskandi Festival	-	2 200	-	-	-	-	-	-	-
Metro Awards	-	20 742	7 748	-	1 000	1 000	-	-	-
MTV Awards	-	40 235	-	-	-	-	-	-	-
Richards Bay Imbizo	-	1 500	1 500	-	-	-	-	-	-
Rural Training and Development	-	-	2 000	-	-	-	-	-	-
SABC Summer Song 2015	-	-	800	-	-	-	-	-	-
Service Excellence and Quality Assurance	-	-	-	-	-	-	250	265	280
Seventh Last Dance Music Festival	-	-	1 300	-	1 000	1 000	-	-	-
Sibhudu Caves and KwaShushu Hotsprings	-	-	-	-	-	-	1 200	1 260	1 329
Signature Africa	-	1 500	-	-	-	-	-	-	-
Spring Day Music Explosion	-	1 500	1 500	-	1 000	1 000	-	-	-
Strategic Cabinet Initiatives Fund - Events	136 282	-	-	-	-	-	-	-	-
Tourism Enterprise Partnership	1 000	-	-	-	-	-	-	-	-
Tourism Score	-	-	500	500	-	-	-	-	-
Ugu Jazz Festival	-	1 000	1 000	-	-	-	-	-	-
Umgababa New Year's Eve Picnic	1 200	1 200	-	-	-	-	-	-	-
uMgungundlovu Midmar Festival	-	-	1 200	-	1 000	1 000	-	-	-
Umthayi Marula Festival	8 347	4 000	1 500	-	-	-	-	-	-
Vodacom Durban July	-	2 117	-	-	-	-	-	-	-
World Amateur Golfers Tournament	-	7 900	-	-	-	-	-	-	-
World Pro-am Golfers Championship	-	18 140	-	-	-	-	-	-	-
Non-profit institutions	300	600	300	-	-	-	-	-	-
Africa Ignite	300	600	-	-	-	-	-	-	-
WowZulu Production - Ndumo Lodge upgrade	-	-	300	-	-	-	-	-	-
Households	-	-	-	-	-	196	-	-	-
Staff exit costs	-	-	-	-	-	196	-	-	-
7. Environmental Affairs	717 446	735 944	646 760	714 600	757 517	757 544	745 791	769 775	812 113
Provinces and municipalities	1 900	4 500	-	-	-	-	1 000	1 050	1 108
Dev of EMFs and SEAs	1 000	4 500	-	-	-	-	1 000	1 050	1 108
Greenest Municipality Competition	900	-	-	-	-	-	-	-	-
Departmental agencies and accounts	702 895	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
EKZNW	702 895	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
Public corporations and private enterprises	-	300	1 500	-	-	-	-	-	-
Greenville Renewable Energy	-	300	-	-	-	-	-	-	-
Trash to Cash	-	-	1 500	-	-	-	-	-	-
Non-profit institutions	11 927	10 505	8 365	6 880	6 880	6 880	7 279	7 687	8 110
SAAMBR	5 540	5 795	6 102	6 407	6 407	6 407	6 779	7 159	7 553
WESSA	400	400	440	473	473	473	500	528	557
Wildlife Conservation Trust	5 987	4 310	1 823	-	-	-	-	-	-
Households	724	1 673	273	-	917	944	-	-	-
Staff exit costs	724	488	273	-	917	944	-	-	-
Other transfers to households	-	1 185	-	-	-	-	-	-	-
Total	2 295 860	2 329 045	1 896 651	1 846 654	2 051 842	2 052 147	2 099 465	2 170 724	2 287 126

The category *Transfers and subsidies* under Programme 2 provides for the following:

- *Provinces and municipalities* includes once-off transfers made to the eThekweni Metro in 2014/15 for the SMME Fair and Exhibition. The Essence Festival and the South African Music Conference were both hosted by the eThekweni Metro on behalf of the department from 2015/16 to 2016/17.
- *Departmental agencies and accounts* comprises a funding partnership with NYDA in 2017/18. Provision is made for co-operatives mentorship to be conducted by KZN SEDA on behalf of the department.
- The 2014/15 amount against *Higher education institutions* relates to once-off funding transferred to MUT to facilitate and provide training to small enterprises in the chemical manufacturing sector. In 2016/17, MUT received once-off funding for the mentorship and incubation programme. The allocation from 2017/18 caters for the SMMEs and co-operative skills training that will be conducted by the Umfolozi TVET College.
- *Public corporations and private enterprises* mainly caters for transfers to Ithala as discussed in more detail in Section 7.7.
- *Non-profit institutions* relates to the KZNGFT only as explained in more detail in Section 7.7.
- *Households* largely relates to external bursaries to students who are studying toward the Co-operative Management Diploma offered at UNIZULU and the RLED initiative programme offered at UKZN. The budget for these external bursaries was reduced from 2015/16 onward, as some students dropped out of the programme. The contract for the Co-operative Management Diploma bursaries comes to an end in 2018/19, and allocations in the two outer years provide for the RLED initiative programme.

The category *Transfers and subsidies* under Programme 3 provides for the following:

- *Provinces and municipalities* relates to partnerships that the department enters into with municipalities that will be implementing various projects, as detailed under Section 7.8.
- *Departmental agencies and accounts* covers transfer payments made to TIK and DTPC. Both these entities are discussed in detail under Section 7.7.
- *Public corporations and private enterprises* largely caters for the transfers to RBIDZ, which are discussed in detail in Section 7.7. The MTEF budget against this category also includes transfers to private enterprises relating to various projects such as the KZN Fashion Council, KZN Clothing Textile Cluster, KZN Music Cluster (KUMISA), Africa Television Market, among others.
- *Non-profit institutions* includes transfers to various entities, including KZNFC and MKI which are discussed in detail in Section 7.7. Provision is made over the MTEF transfers to various NPIs which are assigned to implement a number of projects such as eThekweni Maritime Cluster, INK ICT for Disability Entrepreneurship, Smart City Innovation ICT Hub, Msunduzi and Richards Bay ICT Incubator, and for hosting the NEWF Congress.

Programme 4 caters for transfers to the KZNLA under *Departmental agencies and accounts* and this is discussed in detail in Section 7.7.

With regard to Programme 5:

- *Provinces and municipalities* relates to transfers to the uMhlabuyalinga Municipality in respect of the Kosi Bay Border Development and to Jozini Municipality for the Cecil Mack's Border Development. Provision is made for both projects over the 2018/19 MTEF.
- *Departmental agencies and accounts* provides for transfers to CSIR which is responsible for the Industrial Symbiosis project and funding is allocated over the 2018/19 MTEF.
- *Higher education institutions* consists of funding for transfers which are made to various universities for the Technology Transfer programme and the Solar PV Rooftop project.
- *Public corporations and private enterprises* caters for the KZN bio-energy action plan.

The category *Transfers and subsidies* under Programme 6 provides for the following:

- *Provinces and municipalities* includes provision for various projects that will be implemented by municipalities, as explained in more detail in Section 7.8.
- *Departmental agencies and accounts* caters for transfers to TKZN and KZNSB, which are both discussed in detail under Section 7.7.
- Various projects are funded under *Public corporations and private enterprises*. Over the 2018/19 MTEF, allocations are made in respect of the Sibhudu Caves and Kwashushu Hotspring which are tourist destinations, and funds will be transferred to Enterprise iLembe as an implementing agent, the Battlefields Festival and the Service Excellence and Quality Assurance project. The latter aims to monitor service excellence within the province through various interventions.
- *Non-profit institutions* in 2014/15 and 2015/16 relates to transfers to Africa Ignite for the Dukuduku resettlement project. In 2016/17, the WowZulu Production received funding in respect of the Ndumo Lodge upgrade, which is a tourism-related event.

The category *Transfers and subsidies* under Programme 7 provides for the following:

- *Provinces and municipalities* reflects transfer in respect of the development of Dukuduku Forest EMF, and is budgeted for over the 2018/19 MTEF.
- *Departmental agencies and accounts* comprises the subsidy to EKZNW, as discussed in Section 7.7.
- *Public corporations and private enterprises* catered for a transfer made in respect of the Greenville Renewable Energy project in 2015/16. In 2016/17, funding was transferred for the Trash to Cash project.
- *Non-profit institutions* consists of transfers to WESSA for environmental education programmes, and the grant-in-aid to SAAMBR. This category shows inflationary growth over the MTEF.

8. Programme description

The services rendered by this department are categorised under seven programmes.

The programme structure largely conforms to the uniform budget and programme structure for the Economic Development and Tourism sector, and the Environmental Affairs sector.

The payments and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification, details of which are given in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

8.1 Programme 1: Administration

The main purpose of Programme 1 is to provide for the overall management of the department, and to render a support service to the other programmes in respect of transversal functions.

Tables 4.12 and 4.13 illustrate the payments and estimates of this programme over the seven-year period 2014/15 to 2020/21.

Table 4.12 : Summary of payments and estimates by sub-programme: Administration

R thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	29 125	24 172	28 282	27 300	32 119	32 172	29 000	30 595	32 765
2. Office of the HOD	29 191	29 316	68 565	32 528	34 014	34 252	23 069	23 761	25 471
3. Financial Management	31 293	33 381	41 270	42 799	37 837	37 154	45 064	48 002	51 210
4. Corporate Services	106 366	98 708	143 728	141 028	157 046	156 162	173 977	187 963	198 968
Total	195 975	185 577	281 845	243 655	261 016	259 740	271 110	290 321	308 414

Table 4.13 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	185 522	181 171	275 331	241 954	255 550	254 159	266 715	289 651	307 706
Compensation of employees	70 809	71 157	75 311	97 461	80 631	79 238	111 297	118 957	128 833
Goods and services	114 713	110 014	200 020	144 493	174 919	174 921	155 418	170 694	178 873
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 804	1 297	2 962	620	749	749	582	77	82
Provinces and municipalities	24	52	3	62	47	47	63	67	71
Departmental agencies and accounts	548	7	9	9	9	9	9	10	11
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	256	-	-	-	-	-	-	-
Non-profit institutions	129	-	-	-	-	-	-	-	-
Households	1 103	982	2 950	549	693	693	510	-	-
Payments for capital assets	8 638	2 977	2 997	1 081	4 717	4 832	3 813	593	626
Buildings and other fixed structures	28	17	-	-	-	-	-	-	-
Machinery and equipment	8 610	2 960	2 915	1 081	4 609	4 724	3 813	593	626
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	82	-	108	108	-	-	-
Payments for financial assets	11	132	555	-	-	-	-	-	-
Total	195 975	185 577	281 845	243 655	261 016	259 740	271 110	290 321	308 414

The sub-programme: Office of the MEC oversees the management of the executive office and renders executive support including administration, operations, protocol, security, parliamentary liaison and communication to ensure that the Executive Authority is able to fulfill his mandate as prescribed by legislation. The 2018/19 MTEF provides for the MEC's programmes, filling of critical posts, as well as operational costs. This sub-programme increases steadily in the two outer years of the MTEF.

The sub-programme: Office of the HOD's objective is to effectively manage and direct the department and to ensure delivery of the departmental mandate and objectives. The 2018/19 budget provides for salaries and operational expenditure, as well as replacement of computer equipment. This sub-programme shows minimal growth in 2019/20, and this will be reviewed in the next budget process. The outer year's growth is high due to additional funding for the above-budget wage adjustment.

The sub-programme: Financial Management includes the Financial Support Services and SCM components, which ensure the implementation of the PFMA and other related financial regulations and policies. The critical functions of budgeting, procurement, processing of expenditure, and recording of financial transactions are key deliverables of this sub-programme. The MTEF caters for salaries, as well as operational costs including audit costs and fleet services. The budget increases steadily over the MTEF.

The Corporate Services sub-programme comprises four units, namely Human Resources Management, Information Technology, Legal Services and Auxiliary Services. This sub-programme provides strategic direction, manages and drives strategy implementation, and creates an enabling environment through deployment of human resources, business management processes, systems and support services. The significant growth in 2018/19 and 2019/20 is mainly to cater for the anticipated increases in operating leases for machinery, computer services for datalines, property payments, building leases, as well as the anticipated maintenance costs of the head office and district offices. *Machinery and equipment* is high in 2018/19 to provide for the procurement of office furniture, audio visual and photographic equipment, as well as replacement of computer equipment. Hence, there is reduction in the two outer years.

Compensation of employees increases significantly in 2018/19 and this is linked to the anticipated filling of critical posts including Deputy Director-General: Administration, Chief Director: Public Entities, Director: Legal Services, Director: Strategic Planning and Director: Human Resource Management and Development. The growth of 40.5 per cent in 2018/19 and is adequate for filling of vacant posts, but the 6.9 per cent growth in 2019/20 will be reviewed by the department in the next budget process as it is below what National Treasury has prescribed. The strong growth of 8.3 per cent in the outer year can be ascribed to additional funding for the above-budget wage adjustment.

Goods and services largely caters for anticipated increases in operational costs relating to audit costs, fleet services, operating leases for machinery, computer services for datalines, property payments, building leases, as well as anticipated maintenance costs of the head office and district offices. The growth is significantly high in 2019/20 to cater for these anticipated increases, however, the outer year's growth is below inflation and this will be reviewed by the department in the next budget process.

Transfers and subsidies to: Provinces and municipalities largely relates to motor vehicle licence fees.

Transfers and subsidies to: Departmental agencies and accounts was mainly for the skills development levy to PSETA and payment of TV licences.

Transfers and subsidies to: Households provides for external bursaries and staff exit costs. The budget includes external bursaries for people with disabilities, which are transferred through the Indumezulu Trust from 2014/15 to 2018/19. The contract for these bursaries ends in 2018/19. No provision is made for staff exit costs due to its unpredictable nature, however, this will be reviewed in-year.

The budget for *Machinery and equipment* is high in 2018/19 largely due to actual requirements for equipment including the purchasing of office furniture, audio-visual and photographic equipment. The 2018/19 amount includes provision for the replacement of computer equipment, as well as the purchase of computers in line with the anticipated filling of posts. This explains the declining growth in 2019/20.

No provision is made for *Software and other intangible assets* over the MTEF at this stage, and this will be reviewed in-year by the department.

8.2 Programme 2: Integrated Economic Development Services

The main purpose of this programme is the provision of strategic leadership, direction and co-ordination of economic empowerment initiatives in KZN. Tables 4.14 and 4.15 illustrate payments and estimates for the period 2014/15 to 2020/21.

Table 4.14 : Summary of payments and estimates by sub-programme: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Enterprise Development	418 037	367 978	205 417	269 894	292 210	290 851	308 426	323 364	341 804
2. Regional and Local Economic Development	39 892	18 004	33 294	45 195	33 505	33 505	53 056	49 328	52 436
3. Economic Empowerment	44 957	41 617	73 048	42 964	48 174	48 174	57 828	60 874	64 436
Total	502 886	427 599	311 759	358 053	373 889	372 530	419 310	433 566	458 676

Table 4.15 : Summary of payments and estimates by economic classification: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	113 698	115 832	125 716	250 518	152 630	151 271	209 851	220 081	236 440
Compensation of employees	51 482	54 286	55 049	65 304	60 736	59 377	67 923	72 595	78 623
Goods and services	62 216	61 546	70 667	185 214	91 894	91 894	141 928	147 486	157 817
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	388 776	311 575	184 656	107 085	220 985	220 985	209 206	213 427	222 175
Provinces and municipalities	992	2 000	2 000	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	5 060	5 060	20 000	21 000	22 155
Higher education institutions	2 780	-	2 000	6 000	8 000	8 000	20 688	21 722	22 917
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	317 190	206 480	106 629	45 074	151 914	151 914	107 232	110 005	116 056
Non-profit institutions	55 000	95 000	64 400	54 400	54 400	54 400	54 400	54 400	54 400
Households	12 814	8 095	9 627	1 611	1 611	1 611	6 886	6 300	6 647
Payments for capital assets	412	82	435	450	274	274	253	58	61
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	412	82	435	450	274	274	253	58	61
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	110	952	-	-	-	-	-	-
Total	502 886	427 599	311 759	358 053	373 889	372 530	419 310	433 566	458 676

The sub-programme: Enterprise Development comprises two aspects, namely small business development and co-operatives development, which are provided through integrated business support services to small enterprises, both existing and start-ups, to improve their capacity to contribute to economic growth in the province. The 2018/19 budget includes allocations for entities such as Ithala, the KZNGFT, as well as for various co-operatives, such as the Co-operative Mentorship and Skills training, SMME Hubs, SMME Academy, among others. The budget increases at an inflationary rate over the MTEF.

The sub-programme: Regional and Local Economic Development provides a range of services to enterprises, municipalities and other LED stakeholders in order to address unemployment, poverty and to broaden participation of vulnerable groups in the mainstream economy. In 2018/19, there is once-off allocation for projects such as Operation Sakhinzuzo, which is a partnership with Tongaat Hulett Sugar, as mentioned, Local Competitiveness Fund in respect of the Clothing and Textile industry which will be transferred to a private enterprise, namely Junit Manufacturing, who was assigned to undertake this project, Local Competitiveness Fund in respect of Agro-Processing, as well as the Dukuduku Feasibility study. A reprioritisation exercise was undertaken by the department to fund some once-off expenditure aspects in 2018/19 in respect of these projects, and this explains the decrease in 2019/20.

The sub-programme: Economic Empowerment focuses on youth and women programmes. The budget provides for the KZN Youth Technical Skills Training and Placement project, implementation of the Black Industrialists programme, Operation Vula, B-BBEE Forums, among others. The budget increases at an above inflationary rate over the MTEF.

Compensation of employees reflects high growth, and this is ascribed to critical posts which the department is planning to fill such as the Director: Co-operative and a number of Deputy Director positions in 2018/19. The growth of 11.8 per cent in 2018/19 is adequate for the filling of posts. The growth of 6.8 per cent in 2019/20 will be reviewed in the next budget process as it is below what National Treasury has prescribed. The growth of 8.3 per cent in 2020/21 is above what National Treasury has prescribed and is linked to the additional funding for the above-budget wage adjustment.

Goods and services largely caters for co-operative, SMME and LED projects such as Co-operative mentorship and skills training, SMME Hubs, SMME Academy, Operation Sakhinzuzo, LCF for the Clothing and Textile industry, the Dukuduku Feasibility study, the KZN Youth Technical Skills Training and Placement project, implementation of the Black Industrialists programme, Operation Vula and B-BBEE Forums, among others. The budget increases at a steady rate over the MTEF.

Transfers and subsidies to: Provinces and municipalities in 2015/16 and 2016/17 relates to the Essence Festival and the South African Music Conference, which were hosted by the eThekweni Metro on behalf of the department.

Transfers and subsidies to: Departmental agencies and accounts provides for the co-operatives mentorship assigned to SEDA.

Transfers and subsidies to: Higher education institutions provides co-operatives skills training to be conducted by the Umfolozi TVET College.

Transfers and subsidies to: Public corporations and private enterprises largely caters for transfers to Ithala which comprise the Enterprise Development Fund, SBGE and KZNPDH, as discussed in more detail in Section 7.7.

Transfers and subsidies to: Non-profit institutions largely relates to the KZNGFT, which was affected by reprioritisation of funds to provide for EKZNW from 2017/18 onward. The budget remains constant over the MTEF.

Transfers and subsidies to: Households pertains to external bursaries for the RLED initiative programme and the Co-operative Management Diploma. Provision in the outer year is in respect of the RLED initiatives offered by UKZN.

The fluctuations in *Machinery and equipment* relate to the provision of equipment for new appointments anticipated in 2018/19, as well as the replacement of redundant equipment over the MTEF.

Service delivery measures: Integrated Economic Development Services

Table 4.16 shows the main service delivery measures pertaining to Programme 2. There are currently no generic measures for this sector.

The department reviewed its service delivery measures for 2018/19, and hence a number of new targets are included, indicated by “New” in the 2017/18 Estimated performance column.

Table 4.16 : Service delivery measures: Integrated Economic Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Enterprise Development – SMMEs and Co-operatives					
1.1 To promote small enterprises (SMMEs and Co-operatives)	<ul style="list-style-type: none"> No. of SMMEs and co-operatives supported with training, mentorship, funding incubation and business advisory services No. of SMME and co-operatives participating in the mainstream KZN economy No. of jobs created by supported SMMEs and co-operatives No. of groups and individuals registered with CIPC as co-operative entities or business entities No. of interventions implemented to support SMMEs/co-operatives No. of interventions implemented to support Operation Vula/Radical Economic Transformation 	2 119	2 330	2 563	2 644
		New	2 000	2 333	2 344
		New	1 000	1 200	1 500
		1 166	1 166	1 166	1 166
		5	5	5	5
		3	3	3	3
2. Regional and Local Economic Development					
2.1 To implement RLED initiatives that support employment opportunities and build the capacity of RLED stakeholders	<ul style="list-style-type: none"> No. of employment opportunities supported No. of people trained 	250	200	141	105
		100	100	70	50
3. Economic Empowerment					
3.1 To facilitate the implementation of economic transformation strategies and policies	<ul style="list-style-type: none"> No. of youth and women supported through training to participate in the mainstream economy No. of youth and women businesses supported through enterprise development to participate in the mainstream economy No. of B-BBEE compliance interventions implemented to improve the level of compliance No. of interventions implemented to support Operation Vula No. of interventions implemented to support the Black Industrialists 	New	1 000	1 500	2 000
		New	50	50	50
		New	5	5	5
		New	3	5	6
		New	3	5	6

8.3 Programme 3: Trade and Sector Development

The main purpose of this programme is to stimulate economic growth through industry development, trade and investment promotion.

Tables 4.17 and 4.18 give a summary of payments and estimates relating to Programme 3 for the period 2014/15 to 2020/21.

A large portion of the budget against this programme is for the public entities, such as DTPC, RBIDZ and the MKI, as well as transfers to TIK and the KZNFC.

Table 4.17 : Summary of payments and estimates by sub-programme: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Trade and Investment Promotion	599 746	580 705	480 536	513 615	493 196	492 720	576 993	591 738	624 344
2. Sector Development	164 861	160 134	193 818	201 343	197 551	196 718	194 721	220 517	232 864
3. Strategic Initiatives	68 170	198 947	126 370	127 605	132 605	132 605	129 530	136 784	144 307
Total	832 777	939 786	800 724	842 563	823 352	822 043	901 244	949 039	1 001 515

Table 4.18 : Summary of payments and estimates by economic classification: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	36 136	34 261	43 922	89 043	38 877	37 486	53 736	72 022	76 260
Compensation of employees	8 344	10 673	11 481	17 969	14 447	13 056	15 021	15 479	16 764
Goods and services	27 792	23 588	32 441	71 074	24 430	24 430	38 715	56 543	59 496
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	773 513	905 455	756 670	753 520	784 312	784 394	847 508	877 017	925 255
Provinces and municipalities	-	500	6 000	-	31 700	31 700	11 000	11 550	12 185
Departmental agencies and accounts	596 851	573 975	472 691	495 922	480 997	480 997	554 630	567 959	599 197
Higher education institutions	-	-	-	-	-	-	5 150	5 408	5 706
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	79 442	214 664	150 946	137 705	144 005	144 005	139 830	147 599	155 717
Non-profit institutions	97 159	116 316	127 033	119 393	127 043	127 043	136 898	144 501	152 450
Households	61	-	-	500	567	649	-	-	-
Payments for capital assets	23 128	55	44	-	163	163	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	128	55	44	-	163	163	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	23 000	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	15	88	-	-	-	-	-	-
Total	832 777	939 786	800 724	842 563	823 352	822 043	901 244	949 039	1 001 515

The sub-programme: Trade and Investment Promotion comprises transfers to TIK and DTPC. This sub-programme provides trade and logistics support services to economic role players to strengthen the provincial economy's international competitiveness. The high increase in 2018/19 is ascribed to the reprioritisation undertaken to fund once-off projects under DTPC, namely the KZN Horticultural products and ASP, as well as the KZN Investment and Export strategy that is assigned to TIK. The budget shows healthy growth over the MTEF and includes provision for projects such as the KZN Economic Council, development of a Boat Building Park, KZN Maritime Summit, etc. The transfers to TIK and DTPC are discussed in more detail in Section 7.7.

The sub-programme: Sector Development provides customised support services to priority sectors of the provincial economy, with a view to meeting its strategic objective, which is to strengthen the international competitiveness of these sectors and position them as key contributors to economic growth and development. The bulk of the budget over the 2018/19 MTEF caters for transfers to MKI and KZNFC, as well as various projects, such as the Richards Bay and Msunduzi ICT incubators, the Ladysmith Black Mambazo Music Academy, KZN Music Cluster, etc. The budget also caters for Aerotropolis related-projects including the Aerotropolis Institute, KSIA Transport and upgrading of the Mkuze and Margate Airports.

The sub-programme: Strategic Initiatives provides for SEZs and the budget reflects the transfers made to the RBIDZ only, as explained in Section 7.7.

Compensation of employees in 2018/19 caters for the anticipated filling of critical posts. The growth of 15.05 per cent in 2018/19 is sufficient for the filling of these posts, including Directors: Industrial Economic Hubs, Aerotropolis and Maritime, but the 3.5 per cent growth in 2019/20 is below what National Treasury has prescribed, and this will be reviewed by the department in the next budget process.

The budget against *Goods and services* provides for a number of projects to be implemented from 2018/19 onward. These projects include the continuation of Industrial Economic Hubs such as the Edendale and Amajuba Auto Service Hubs, the KZN Maritime Summit, the Durban Aerotropolis International Investment Conference, establishment of the Aerotropolis Management Unit, Amakha Essential Oil and the KZN Economic Council, among others.

Transfers and subsidies to: Provinces and municipalities comprises allocations for upgrading of the Mkuze and Margate Airports, KSIA Transport and the Ladysmith Black Mambazo Music Academy.

Transfers and subsidies to: Departmental agencies and accounts relates to the transfers to TIK and DTPC, as discussed in more detail in Section 7.7.

Transfers and subsidies to: Higher education institutions caters for the development of the Aerotropolis Institute, Aerotropolis learnerships, and the District Trade and Investment Skills Development programme.

Transfers and subsidies to: Public corporations and private enterprises relates to transfers to RBIDZ and a number of smaller transfers to private enterprises responsible for hosting various events. These include the KZN Clothing Textile, KZN Music Cluster, Africa Television Market, among others.

Transfers and subsidies to: Non-profit institutions pertains to transfers to the MKI and KZNFC, Msunduzi and Richards Bay ICT incubators, INK ICT for Disability Entrepreneurship, Smart City Innovation ICT Hub, eThekweni Maritime Cluster and the NEWF Congress, as discussed in more detail in Section 7.7.

Service delivery measures: Trade and Sector Development

Table 4.19 shows the main service delivery measures pertaining to Programme 3. There are currently no generic measures for this sector.

Table 4.19 : Service delivery measures: Trade and Sector Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1. Trade and Investment Promotion						
1.1 To stimulate inclusive growth through trade and investment promotion	<ul style="list-style-type: none"> • Rand value of investment attracted to KZN and exports facilitated • No. of interventions implemented to support exports and investment (KZN Exporter Competitiveness Programme) • No. of investment and export (trade) strategies developed 	R1.5bn 1 -	R8.8bn 1 1	R9.5bn 1 -	R10.2bn 1 -	
2. Sector Development						
2.1 To implement existing productive and service sector strategies and plans	<ul style="list-style-type: none"> • No. of employment opportunities created and sustained • No. of business plans completed • No. of strategic interventions implemented • No. of people trained on sector based skills • No. of clusters supported (KZN Music Cluster, KZN Clothing and Textile Cluster, KZN Fashion Council, KZN Film Industry) 	1 3 14 90 3	6 5 10 300 3	6 2 15 350 3	5 - 15 250 4	
3. Strategic Initiatives						
3.1 To provide and facilitate the development of strategic industrial interventions	<ul style="list-style-type: none"> • Rand value of investment committed in strategic infrastructure development (SEZ and Industrial Economic Hubs) • No. of infrastructure projects facilitated to support Aerotropolis, Maritime and Industrial Economic Hubs • Annual employment opportunities created through Industrial Economic Hubs, Aerotropolis, Maritime and SEZ • No. of people benefited from skills development in support of Aerotropolis, Industrial Economic Hubs, SEZ and Maritime 	R1m 9 54 134	R16m 2 150 104	R17m 2 280 150	R25m 4 1 882 182	

8.4 Programme 4: Business Regulation and Governance

The aim of this programme is to enable an equitable and socially responsible business environment. The main difference to this programme, when compared to the generic structure for the sector, is that Gambling and Betting falls under Vote 1: OTP in this province, and the sub-programme: Governance is not yet incorporated in the department's structure.

Tables 4.20 and 4.21 summarise the payments and estimates for the seven years from 2014/15 to 2020/21.

Table 4.20 : Summary of payments and estimates by sub-programme: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Regulation Services	4 398	6 872	4 650	6 303	5 737	5 730	9 268	9 723	10 363
2. Consumer Protection	22 856	19 824	21 875	30 369	21 584	21 018	30 688	32 479	34 544
3. Liquor Regulation	77 282	70 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
Total	104 536	96 704	100 278	112 662	105 311	104 738	120 145	126 882	134 244

Table 4.21 : Summary of payments and estimates by economic classification: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	26 904	26 519	25 837	36 672	27 182	26 575	39 686	42 128	44 829
Compensation of employees	16 716	16 794	18 454	22 646	19 081	18 442	21 486	22 965	24 872
Goods and services	10 188	9 725	7 383	14 026	8 101	8 133	18 200	19 163	19 957
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	77 407	70 065	74 188	75 990	77 990	77 990	80 189	84 680	89 337
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	77 282	70 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	125	57	435	-	-	-	-	-	-
Payments for capital assets	225	49	143	-	139	139	270	74	78
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	225	49	143	-	139	139	270	74	78
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	71	110	-	-	34	-	-	-
Total	104 536	96 704	100 278	112 662	105 311	104 738	120 145	126 882	134 244

Regulation Services provides a regulatory framework for the functioning of both formal and informal trade to advance economic development and growth. The significant increase from 2018/19 relates to reprioritisation undertaken by the department to fund projects such as the Business Licensing PMU and KZN Automated Licensing system, as mentioned. The budget increases at an inflationary rate over the MTEF.

The sub-programme: Consumer Protection, established in terms of the KZN Consumer Protection Act, aims to protect and promote consumer rights and to receive, investigate and dispose of cases of alleged unfair business practices, to initiate investigations and to publish the findings in a provincial gazette, and also to advise consumers on consumer related issues. The purpose is also to educate the consumers about their rights by conducting workshops and community outreach programmes, as well as to conduct inspection blitzes on businesses to ensure compliance with the KZN Consumer Protection Act. The MTEF budget increases at a steady rate, largely to cater for hosting consumer awareness campaigns and workshops, to provide for an Integrated Case Management System and the development of a composite consumer index for KZN consumers.

The Liquor Regulation sub-programme pertains to transfers to the KZNLA, discussed in Section 7.7.

Compensation of employees shows high growth in 2018/19. The high growth of 16.5 per cent in 2018/19 caters for the planned filling of critical posts, such as Director: Business Regulations, Deputy Directors: Consumer Education, and Assistant Director: Complaint Handler and Education Officer. The outer years' growth is 6.8 per cent for 2019/20 and 8.3 per cent for 2020/21. The high growth in 2020/21 is ascribed to additional funding for the above-budget wage adjustment.

Goods and services reflects a significant increase in 2018/19 due to reprioritisation undertaken by the department to fund the Business Licensing PMU. The budget also caters for costs relating to conducting workshops and community outreach programmes across the province, the Integrated Case Management System and the development of a composite consumer index for KZN consumers. There is a steady increase over the 2018/19 MTEF.

Transfers and subsidies to: Departmental agencies and accounts comprises transfers to the KZNLA which are discussed in more detail in Section 7.7.

The increase in *Machinery and equipment* in 2018/19 relates to capital equipment requirements in line with the filling of posts.

Service delivery measures: Business Regulation and Governance

Table 4.22 provides the main service delivery measures pertaining to Programme 4. There are currently no generic measures for this sector.

Table 4.22 : Service delivery measures: Business Regulation and Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Regulation Services					
1.1 To create a conducive regulatory environment for sustained development and support to the formal and informal business sectors	<ul style="list-style-type: none"> No. of municipalities monitored with the implementation of business legislation No. of municipalities monitored with the implementation of the informal economy policy No. of barriers identified No. of barriers addressed No. of business inspectors conducted to ensure compliance with business legislation 	31	31	31	31
		20	20	20	20
		4	4	4	4
		4	4	4	4
		12	18	24	24
2. Consumer Protection					
2.1 To promote, protect and further the rights of consumers in the province	<ul style="list-style-type: none"> % of community members reflecting knowledge and awareness about their consumer rights % of business complying with Consumer Protection Act of KZN No. of consumer education programmes conducted No. of inspections conducted % complaints resolved No. of consumer surveys conducted 	80%	90%	100%	100%
		80%	90%	100%	100%
		1 179	1 250	1 300	1300
		400	400	450	450
		80%	90%	100%	100%
		2	2	2	2
3. Liquor Regulation					
3.1 To promote and maintain an effective and efficient regulatory system for the Liquor Industry and Consumer and Regulation services	<ul style="list-style-type: none"> No. of Liquor Authority monitoring reports (tracking the effectiveness of the KZNLA in regulating the industry) No. of initiatives undertaken to review effectiveness of Business Regulatory Environment relating to Consumer, Liquor and Regulation Services 	4	4	4	4
		4	4	4	4

8.5 Programme 5: Economic Planning

The main purpose of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development.

The purpose is also to conduct research proposals relating to changing global trends, and to provide a wide range of information and knowledge that serve as key drivers and to regularly assess the performance of the economy.

Tables 4.23 and 4.24 summarise payments and budgeted estimates for the period 2014/15 to 2020/21.

Table 4.23 : Summary of payments and estimates by sub-programme: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Policy and Planning	4 348	5 240	7 125	7 967	7 112	7 020	8 941	9 323	9 929
2. Research and Development	10 688	15 384	17 831	15 841	14 609	14 639	18 289	19 249	20 392
3. Knowledge Management	2 626	2 689	3 181	7 613	3 071	3 053	3 695	3 939	4 208
4. Monitoring and Evaluation	5 524	6 179	7 662	8 086	8 261	8 258	9 099	9 567	10 214
Total	23 186	29 492	35 799	39 507	33 053	32 970	40 024	42 078	44 743

Table 4.24 : Summary of payments and estimates by economic classification: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	22 667	27 348	24 088	28 727	19 440	19 352	26 594	28 081	29 977
Compensation of employees	13 031	14 281	14 462	16 877	14 515	14 444	18 196	19 444	21 059
Goods and services	9 636	13 067	9 626	11 850	4 925	4 908	8 398	8 637	8 918
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	266	2 031	11 617	10 780	13 330	13 330	13 300	13 965	14 732
Provinces and municipalities	-	-	500	-	3 050	3 050	2 500	2 625	2 769
Departmental agencies and accounts	-	-	2 500	5 000	5 000	5 000	2 500	2 625	2 769
Higher education institutions	250	2 000	8 617	4 980	4 980	4 980	5 300	5 565	5 871
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	800	300	300	3 000	3 150	3 323
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	16	31	-	-	-	-	-	-	-
Payments for capital assets	253	70	88	-	283	283	130	32	34
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	253	70	88	-	235	235	130	32	34
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	48	48	-	-	-
Payments for financial assets	-	43	6	-	-	5	-	-	-
Total	23 186	29 492	35 799	39 507	33 053	32 970	40 024	42 078	44 743

The Policy and Planning sub-programme is responsible for gathering economic data, conducting analyses and building models to inform economic development policy interventions. Furthermore, policy research ensures that the province's economic policy direction adequately responds to global factors and national policy directives. Key outputs from this sub-programme include integrated economic development strategies, economic intelligence reports and economic models. The budget is mainly for operational costs, the Kosi Bay and Cecil Mack's Border Development projects, as well as staff costs. The budget grows steadily over the MTEF.

The Research and Development sub-programme largely relates to research projects, and the 2018/19 budget caters for the Industrial Symbiosis, Technology Transfer programme, Solar PV Rooftop project and the KZN bio-energy action plan. There is inflationary growth over the MTEF.

The Knowledge Management sub-programme ensures that information relevant to the execution of the departmental economic development mandate is made available timeously to departmental users by using properly designed sourcing, storage and dissemination technologies. The MTEF allocations grow at an inflationary rate, and cater for operational costs relating to the department's internal resource centre and the printing and publication of reports.

The Monitoring and Evaluation sub-programme ensures continuous performance improvement and effectiveness in the implementation of economic development and environmental policies, strategies and projects, through monitoring and evaluation of outputs, outcomes and impact. Monitoring and evaluation provides an opportunity for assessing, reflecting, learning and improving in the delivery of services. The budget for the 2018/19 MTEF includes Impact Assessments and Partnership reports.

Compensation of employees increases from 2017/18 to 2018/19 and this is linked to the planned filling of 15 posts in 2018/19. The growth of 25.9 per cent in 2018/19 provides for the filling of posts such as Director: Research and Development, Deputy Directors: Policy and Planning, and Research and Development (Green Economy Specialist). The increase of 6.8 per cent in 2019/20 is below what National Treasury prescribed, and this will be reviewed in the next budget process. The increase of 8.3 per cent in the outer year is influenced by the additional funding for the above-budget wage adjustment.

Goods and services largely caters for projects such as the Impact Assessments and Partnership reports. The budget grows steadily over the MTEF.

Transfers and subsidies to: Departmental agencies and accounts provides for transfers to CSIR for the Industrial Symbiosis. There is a decrease from 2017/18 to 2018/19, however, the allocations in the two outer years grow at an inflationary rate.

Transfers and subsidies to: Higher education institutions relates to a transfer to MUT for the Solar PV Rooftop project and the Provincial University Technology Transfer programme, which focusses on the process of transferring skills, knowledge, technologies, methods of manufacturing, samples of manufacturing and facilities among government or universities and other institutions to ensure that scientific and technological developments are accessible to a wider range of users who can then further develop and expand the technology into new products, processes, applications, materials or services. There is inflationary growth over the MTEF.

Transfers and subsidies to: Public corporations and private enterprises caters for the KZN bio-energy action plan. The allocations increase at an inflationary rate over the MTEF.

Machinery and equipment relates to capital equipment requirements, in line with the filling of posts.

Service delivery measures: Economic Planning

Table 4.25 illustrates the main service delivery measures pertaining to Programme 5: Economic Planning. There are currently no generic measures for this sector. The department reviewed its service delivery measures for 2018/19, and hence a new target is included, indicated by “New” in 2017/18.

Table 4.25 : Service delivery measures: Economic Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Policy and Planning					
1.1 To enhanced economic policy environment in KZN	<ul style="list-style-type: none"> No. of policies/strategies formulated/reviewed No. of economic publications No. of policy analysis/advocacy reports 	- 6 2	1 6 2	1 6 2	1 6 2
2. Research and Development					
2.1 To conduct economic research	<ul style="list-style-type: none"> No. of research reports produced No. of strategic research partnerships established or maintained 	5 3	5 3	5 3	5 3
3. Knowledge Management					
3.1 To develop and maintain an effective knowledge management system to support management decisions	<ul style="list-style-type: none"> No. of reports on the development of an integrated statistical database No. of reports tracking provincial knowledge base No. of learning platforms conducted 	New 4 4	1 4 4	1 4 4	- 4 4
4. Monitoring and Evaluation					
4.1 To determine effectiveness of EDTEA policies and strategies	<ul style="list-style-type: none"> No. of monitoring and evaluation plans/tools developed or reviewed No. of monitoring reports No. of evaluation reports No. of performance verification reports 	1 4 5 4	1 4 5 4	1 4 5 4	1 4 5 4

8.6 Programme 6: Tourism

The main purpose of this programme is to stimulate economic growth through tourism development. The objectives are to create an enabling tourism environment through legislation, policy and strategy development, to create demand and supply tourism, as well as to ensure sustainability and tourism sector transformation. Tables 4.26 and 4.27 summarise payments and estimates relating to Programme 6 for the period 2014/15 to 2020/21. This programme includes transfers to KZNSB and TKZN.

Table 4.26 : Summary of payments and estimates by sub-programme: Tourism

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Tourism Planning	6 209	4 722	7 958	13 107	7 466	7 388	18 363	19 420	20 660
2. Tourism Growth And Development	351 772	367 942	231 227	206 229	210 738	210 588	214 552	260 811	275 391
3. Tourism Sector Transformation	4 724	3 010	7 523	12 213	7 658	7 334	14 871	15 821	16 776
Total	362 705	375 674	246 708	231 549	225 862	225 310	247 786	296 052	312 827
Unauth. Exp. (1st charge) not available for spending	-	(236)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	362 705	375 438	246 708	231 549	225 862	225 310	247 786	296 052	312 827

Table 4.27 : Summary of payments and estimates by economic classification: Tourism

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	26 057	72 760	26 909	47 420	28 448	27 688	44 897	84 269	89 395
Compensation of employees	8 743	10 546	12 775	19 382	13 793	13 033	23 913	25 556	27 677
Goods and services	17 314	62 214	14 134	28 038	14 655	14 655	20 984	58 713	61 718
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	336 648	302 678	219 798	184 059	196 959	197 155	202 889	211 783	223 432
Provinces and municipalities	14 113	2 500	1 500	500	2 000	2 000	5 375	5 644	5 955
Departmental agencies and accounts	166 906	180 744	188 725	183 059	187 459	187 459	195 914	204 456	215 701
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	155 329	118 834	29 273	500	7 500	7 500	1 600	1 683	1 776
Non-profit institutions	300	600	300	-	-	-	-	-	-
Households	-	-	-	-	-	196	-	-	-
Payments for capital assets	-	-	-	70	455	455	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	70	455	455	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	236	1	-	-	12	-	-	-
Total	362 705	375 674	246 708	231 549	225 862	225 310	247 786	296 052	312 827
Unauth. Exp. (1st charge) not available for spending	-	(236)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	362 705	375 438	246 708	231 549	225 862	225 310	247 786	296 052	312 827

The sub-programme: Tourism Planning provides guidance, support and direction in terms of policies, legislation and strategies aimed at promoting tourism. The aim is to guide spatial development of tourism and define a clear role of the private sector at all levels in tourism planning. The continuous development of the tourism sector will assist in diversifying South Africa's economy and will contribute immensely towards achieving the overall objectives of the National Tourism Sector Strategy and the Provincial Tourism Master Plan. The MTEF budget includes provision for the Mandela Centenary celebrations, KZN Master Plan Review Destination Enhancement programme and Tourism strategy for Zululand, uMkhanyakude and King Cetshwayo District Municipalities.

The sub-programme: Tourism Growth and Development aims to provide sustainable tourism growth and development through identification and stimulation of demand-led products, developing appropriate tourism infrastructure, and inspiring innovation to guide development of tourism over time to achieve geographic and rural spread. In addition, the sub-programme is responsible for registration of tourist guides and tourism businesses in the province to ensure that the tourism industry is regulated and enforces compliance with legislation. This sub-programme includes transfers to KZNSB and TKZN. The department budgeted for the Tourism Homestays workshops with the aim of achieving parity with National and International leading tourism destinations, new and replacement Tourism Signage, Mkuze Falls, Nkungumathe Lodge, Sibhudu Caves and KwaShushu Hotspring, Koppie Guesthouse (Mahlalela Community Trust), Mzumbe Trails, upskilling of existing tourist guides, training of 100 tourist guides entrants in the uThukela and King Cetshwayo District Municipalities, International Tourist Guides Celebration day event and the Battlefields Festival. The budget grows steadily over the MTEF.

The Tourism Sector Transformation sub-programme funds tourism interventions and drives key development initiatives to improve the contribution that this sector makes to the KZN economy. In addition, the sub-programme is responsible for enhancing and marketing the attractiveness of KZN as a tourism destination, and for driving transformation of the sector. The budget provides for the Tourism and Entrepreneurship Careers Expo, social tourism programme, tour operators, as well as the Service Excellence and Quality Assurance project. This sub-programme shows an increasing trend over the MTEF.

The growth in *Compensation of employees* from 2018/19 is high as the department is planning to fill critical posts. The growth of 83 per cent in 2018/19 caters for the filling of these posts, including the Chief Director: Tourism. The increase of 6.8 per cent in 2019/20 is below what National Treasury prescribed, and this will be reviewed in the next budget process. The increase of 8.3 per cent in the outer year is influenced by the additional funding for the above-budget wage adjustment.

Goods and services provides for the Tourism Signage, upskilling of existing tourists guides, East3 Route, Tourism Homestays workshops, International Tourist Guides Celebration day event, Tourism and Entrepreneurship Careers Expo, social tourism programme, tour operators, the Nelson Mandela Centenary celebrations, KZN Master Plan Review, Destination Enhancement programme, as well as the training of 100 tourist guide entrants in the uThukela and King Cetshwayo District Municipalities. Allocations over the MTEF reflect strong growth.

Transfers and subsidies to: Provinces and municipalities relates to transfers for Mkuze Falls, Mzumbe Trails, Nkungumathe Lodge, Koppie Guesthouse (Mahlalela Community Trust) and the Tourism strategy for Zululand, uMkhanyakude and King Cetshwayo District Municipalities.

Transfers and subsidies to: Departmental agencies and accounts consists of transfers to TKZN and KZNSB. The entities are discussed in more detail in Section 7.7.

Transfers and subsidies to: Public corporations and private enterprises consists of once-off transfers to private enterprises relating to various partnership agreements. The 2018/19 budget provides for the Sibhudu Caves and KwaShushu Hotspring to be transferred to Enterprise iLembe as an implementing agent, Service Excellence and Quality Assurance project and the Battlefields Festival that will be held in the Alfred Duma Municipality.

Service delivery measures: Tourism

Table 4.28 illustrates the main service delivery measures pertaining to Programme 6: Tourism. There are no current generic measures for this sector.

Table 4.28 : Service delivery measures: Tourism

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Tourism Planning					
1.1 To provide guidance, support and direction in terms of tourism knowledge management, policies and strategies	<ul style="list-style-type: none"> No. of strategic partnership forums established and sustained between public, private and communities No. of tourism research reports, policies, strategies and frameworks identified and developed No. of advocacy and awareness on tourism initiatives inclusive of policies and legislation co-ordinated 	12 7 2	12 7 3	12 7 4	12 7 4
2. Tourism Growth and Development					
2.1 To ensure effective and efficient support for the promotion and integrated development of diverse tourism offerings	<ul style="list-style-type: none"> % of tourism product and service supported in KZN % Increase in tourism establishments that are in compliance with tourism sector legislation No. of people employed in the tourism sector No. of niche and diverse tourism products identified and supported No. of Tourist Guides accredited No. of tourist guide inspections conducted to curb illegal guiding and enforce continuous compliance with tourism legislation No. of tourism interventions implemented towards growth and employment creation 	100% 50% 30 1 200 4 6	100% 60% 50 1 200 4 6	100% 80% 60 1 200 4 6	100% 80% 60 2 300 6 6
3. Tourism Sector Transformation					
3.1 To drive tourism growth and development in the province	<ul style="list-style-type: none"> No. of tourism enterprises complying with the Tourism Sector Codes No. of Service Excellence initiatives implemented No. of sector transformation, capacity building and skills development interventions implemented No. of tourism interventions implemented towards growth and employment creation 	50 2 15 1	30 3 15 1	30 4 15 1	30 4 15 1

8.7 Programme 7: Environmental Affairs

Programme 7 largely conforms to the budget and programme structure for the Environmental Affairs sector. However, the information is given at sub-programme and sub-sub-programme level because of the level of detail required by the sector. Note that the Environmental Services Support sub-programme is not in line

with the sector structure, but provides for the administrative support for this programme. This programme aims to ensure effective compliance and governance in respect of environmental management. The strategic objectives are as follows:

- To ensure integrated sustainable environmental planning.
- To mitigate the impact of and manage waste and pollutants.
- To empower communities with regard to sustainable resource utilisation.
- To prevent and control the spread of invasive alien species.

This programme also includes the transfers to EKZNW and SAAMBR. These entities are included in the Environmental Affairs sector structure, specifically under the sub-programme: Biodiversity Management.

Tables 4.29 and 4.30 summarise payments and estimates for Programme 7.

Table 4.29 : Summary of payments and estimates by sub-programme: Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Environmental Policy Planning and Co-ordination	3 764	10 943	8 155	9 423	9 290	9 277	16 413	15 987	17 059
Intergovt. Co-ordination, Spatial and Dev Planning	3 385	10 822	8 063	8 397	8 900	9 015	13 538	12 954	13 859
Climate Change Management	379	121	92	1 026	390	262	2 875	3 033	3 200
2. Compliance and Enforcement	32 593	32 818	29 763	39 831	35 139	34 341	42 141	44 501	47 952
Enviro. Quality Manage. Compliance and Enforcem	32 593	32 818	29 763	39 831	35 139	34 341	42 141	44 501	47 952
3. Environmental Quality Management	28 098	32 536	36 449	52 912	42 401	41 026	59 862	62 962	66 379
Impact Management	13 839	17 535	15 508	26 634	22 029	20 918	32 995	34 389	36 280
Air Quality Management	1 938	2 323	4 689	6 904	4 869	4 156	6 250	6 608	7 850
Pollution and Waste Management	12 321	12 678	16 252	19 374	15 503	15 952	20 617	21 965	22 249
4. Biodiversity Management	823 924	811 305	700 664	811 587	850 773	850 311	843 432	868 791	917 191
Biodiversity and Protected Area Plan. and Managem	111 898	79 228	54 976	92 764	91 987	91 598	94 165	95 340	101 200
Conservation Agencies and Services	703 946	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
Coastal Management	8 080	13 111	9 066	11 103	9 066	8 993	11 755	12 413	13 096
5. Environmental Empowerment Services	35 567	33 970	32 023	36 656	30 194	30 074	41 284	43 685	46 922
Environmental Capacity Development and Support	35 567	33 970	32 023	36 656	30 194	30 074	41 284	43 685	46 922
6. Environmental Services Support	9 792	7 181	12 730	6 005	6 173	6 147	6 545	6 830	7 321
Environmental Services Administrative Support	9 792	7 181	12 730	6 005	6 173	6 147	6 545	6 830	7 321
Total	933 738	928 753	819 784	956 414	973 970	971 176	1 009 677	1 042 756	1 102 824

Table 4.30 : Summary of payments and estimates by economic classification: Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	215 841	192 199	171 439	240 571	212 855	210 014	261 339	271 458	289 104
Compensation of employees	95 668	98 962	101 488	123 726	112 117	109 852	137 867	147 344	159 578
Goods and services	120 173	93 237	69 951	116 845	100 738	100 162	123 472	124 114	129 526
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	717 446	735 944	646 760	714 600	757 517	757 544	745 791	769 775	812 113
Provinces and municipalities	1 900	4 500	-	-	-	-	1 000	1 050	1 108
Departmental agencies and accounts	702 895	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	300	1 500	-	-	-	-	-	-
Non-profit institutions	11 927	10 505	8 365	6 880	6 880	6 880	7 279	7 687	8 110
Households	724	1 673	273	-	917	944	-	-	-
Payments for capital assets	451	610	1 581	1 243	3 598	3 618	2 547	1 523	1 607
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	451	610	1 581	1 243	3 598	3 618	2 547	1 523	1 607
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	4	-	-	-	-	-	-
Total	933 738	928 753	819 784	956 414	973 970	971 176	1 009 677	1 042 756	1 102 824

The sub-programmes: Environmental Policy Planning and Co-ordination is responsible for the development of instruments, mechanisms and institutions to ensure sound co-operative environmental governance in the implementation of sustainable development frameworks. The sub-programme also conducts environmental

research in order to generate knowledge to support sound decision making resulting in innovative approaches to the management of the environment. Furthermore, the sub-programme ensures provincial sustainability monitoring and reporting through generation, management and dissemination of environmental information for improved decision making and ongoing strategy. The department has reprioritised funds to cater for the development of the greenhouse gas emission inventory for KZN, and development of the carbon management plan web-portal system for government buildings. The budget also provides for the development of standards for small forestry plantation projects, development of the Dukuduku Forest EMF, compilation of environmental research and development strategy, as well as a land degradation outlook report and action plan.

The purpose of the sub-programme: Compliance and Enforcement is to achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province.

The sub-programme: Environmental Quality Management promotes and regulates the application of appropriate environmental management instruments to ensure integrated environmental management in all media (land, coast and atmosphere) and facilitates the management and mitigation of impacts associated with air emissions, climate change, pollution and listed activities. The 2018/19 budget caters for the procurement of new and replacement air quality monitoring instruments, as well as the development of the air quality management plan.

The sub-programme: Biodiversity Management is responsible for controlling the spread of invasive alien plants in communal, public and private areas, as well as developing and implementing community-based natural resource management and action projects for sustainable development. This programme houses EKZNW, the EPWP Integrated Grant for Provinces and IASP under the sub-sub-programme: Biodiversity and Protected Area Planning and Management, and the additional funding allocated in this regard (with carry-through costs) accounts for the fluctuations in this sub-programme. Note that funding allocated for IASP of R55.156 million, R58.247 million and R61.450 million over the MTEF remains specifically and exclusively appropriated for this purpose.

The sub-programme: Environmental Empowerment Services includes the grant-in-aid to SAAMBR for marine biological research.

Compensation of employees indicates a steady increase over the MTEF which is sufficient to fund critical posts. The department plans to fill 46 critical vacancies including OSD posts such as the Chief Director: Environmental Services, Directors for the Southern Region and IASP, and Control Environmental Officers in various districts. Hence, growth is high at 25.5 per cent from 2017/18 to 2018/19, but the 6.8 per cent in 2019/20 is below what National Treasury has prescribed, and this will be reviewed by the department in the next budget process. The increase in the outer year is 8.3 per cent caused by the additional funding for the above-budget wage adjustment.

The high increase in 2018/19 against *Goods and services* relates to reprioritised funds to cater for the development of the greenhouse gas emission inventory for KZN, and the development of the carbon management plan web-portal system for government buildings, as mentioned. Also included in the 2018/19 MTEF is IASP which is specifically and exclusively appropriated funding. The budget includes the EPWP Integrated Grant for Provinces for 2018/19 only. This explains the minimal growth from 2018/19 to 2019/20.

Transfers and subsidies to: Provinces and municipalities relates to funding for the development of the Dukuduku Forest EMF over the MTEF.

Transfers and subsidies to: Departmental agencies and accounts comprises the subsidy paid to EKZNW, which is discussed in more detail in Section 7.7.

Transfers and subsidies to: Non-profit institutions consists of transfers to WESSA for environmental education programmes and the grant-in-aid to SAAMBR.

The 2018/19 budget against *Machinery and equipment* is linked to the planned filling of vacant posts, the related purchase of equipment and computers and purchasing of new and replacement air quality monitor instruments for 2018/19 only, hence, the decrease in 2019/20.

Service delivery measures: Environmental Affairs

Table 4.31 shows the service delivery measures pertaining to Programme 7. The performance indicators largely conform to the customised measures for the Environmental Affairs sector.

Table 4.31 : Service delivery measures: Environmental Affairs

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1. Environmental Policy Planning and Co-ordination						
1.1 To ensure the implementation of Environmental Management tools to support economic development through enhanced governance systems and capacity	<ul style="list-style-type: none"> No. of intergovernmental sector tools reviewed No. of environmental legislative tools developed No. of environmental research projects completed No. of functional environmental information management systems No. of climate change response tools developed 	54 2 2 12 1	54 2 - 12 1	54 1 1 12 1	54 1 1 12 1	
2. Compliance and Enforcement						
2.1 To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province	<ul style="list-style-type: none"> No. of administrative enforcement notices issued for non-compliance with environmental legislation No. of completed criminal investigation handed to NPA for prosecutions compliance inspections conducted No. of compliance inspections conducted No. of S24G applications finalised 	260 4 800 25	280 4 850 25	240 4 900 11	240 4 900 11	
3. Environmental Quality Management						
3.1 To promote and regulate environmental quality management through environmental impacts mitigate	<ul style="list-style-type: none"> % of complete EIA applications finalised within legislated timeframes No. of designated organs of state with approved AQMPs % air emissions licence applications finalised within legislated timeframes % of facilities with Atmospheric Emission Licences reporting to the National Atmospheric Emissions Inventory System (NAEIS) % of waste licence applications finalised within legislated timeframes 	98% 1 100% 80% 90%	98% 1 100% 90% 100%	98% 1 100% 100% 100%	98% 1 100% 100% 100%	
4. Biodiversity Management						
4.1 To control and manage the spread of invasive alien species	<ul style="list-style-type: none"> No. of coastal management programmes adopted No. of job opportunities created through environmental programmes No. of hectares cleared of invasive alien species No. of fulltime equivalence /created FTEs 	2 8 500 120 000 2 608	1 8 500 140 000 2 608	1 8 500 140 000 2 608	1 8 500 140 000 2 608	
5. Environmental Empowerment Services						
5.1 To improved community empowerment through environmental awareness and educational programmes	<ul style="list-style-type: none"> No. of environmental capacity building activities conducted No. of environmental awareness activities conducted No. of quality environmental resources -material developed 	50 1 000 -	50 1 000 -	65 800 1	65 800 1	

9. Other programme information**9.1 Personnel numbers and costs**

Table 4.32 illustrates the detail of the department's approved establishment and personnel numbers. The table also gives a breakdown of employee dispensation classification but this information was not fully provided by the department. Due to the lengthy process of reviewing its organisational structure, the department appointed contract workers from 2014/15 onward which reflect as "Other" under the salary level. Although the department anticipated to fill all vacant posts in 2017/18, the department has made provision for 68 posts for contract workers which are expected to increase to 71 in the outer year. The low personnel numbers in 2016/17 are mainly due to high staff turnover, the moratorium on the filling of non-critical posts, and the difficulty in recruiting suitably qualified candidates. Personnel numbers and costs increase significantly in 2020/21 as the department plans to increase the number of posts from 726 to 757.

Table 4.32 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		Pers. growth rate	Costs growth rate	% costs of total
	Pers nos ¹	Costs	Pers no ¹	Costs	Pers nos ¹	Costs	Filled posts	Addit. posts	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers nos ¹	Costs			
R thousands																			
Salary level																			
1 – 6	214	36 179	112	17 882	113	19 521	-	142	142	23 340	168	24 702	168	26 384	176	28 574	7.4%	7.0%	6.5%
7 – 10	321	119 392	375	131 172	339	137 748	243	17	260	166 933	350	176 836	350	188 860	366	204 542	8.9%	7.0%	46.6%
11 – 12	116	69 510	122	77 911	81	79 348	104	4	108	96 742	106	103 083	106	110 092	110	119 234	0.5%	7.2%	27.1%
13 – 16	36	39 712	42	44 251	37	44 914	56	2	58	54 576	34	60 461	34	70 085	34	75 905	(12.5%)	11.6%	16.5%
Other	-	-	44	5 483	88	7 489	62	-	62	34 149	68	30 621	68	26 919	71	29 151	3.4%	(194.9%)	3.3%
Total	687	264 793	695	276 699	658	289 020	465	165	630	307 442	726	395 703	726	422 340	757	457 406	6.3%	14.2%	100.0%
Programme																			
1. Administration	166	70 809	177	71 157	128	75 311	88	48	136	79 238	160	106 262	160	118 957	167	128 833	5.3%	17.6%	27.4%
2. Integrated Economic Development	125	51 482	124	54 286	116	55 049	77	43	120	59 377	135	67 923	135	72 595	142	78 623	4.3%	9.8%	23.5%
3. Trade and Sector Development	18	8 344	23	10 673	21	11 481	17	5	22	13 056	24	20 056	24	15 479	24	16 764	2.2%	8.7%	4.1%
4. Business Regulation and Governance	37	16 716	37	16 794	38	18 454	32	4	36	18 442	38	21 486	38	22 965	39	24 872	2.0%	10.5%	7.4%
5. Economic Planning	28	13 031	28	14 281	29	14 462	18	13	31	14 444	31	18 196	31	19 444	31	21 059	0.0%	13.4%	6.2%
6. Tourism	75	8 743	41	10 546	83	12 775	7	52	59	13 033	66	23 913	66	25 556	68	27 677	3.6%	28.5%	7.6%
7. Environmental Affairs	238	95 668	265	98 962	243	101 488	226	-	226	109 852	272	137 867	272	147 344	286	159 578	6.1%	13.3%	46.7%
Total	687	264 793	695	276 699	658	289 020	465	165	630	307 442	726	395 703	726	422 340	757	457 406	6.3%	14.2%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	687	264 793	695	276 699	658	289 020	465	165	630	307 442	726	395 703	726	422 340	757	457 406	6.3%	14.2%	100.0%
Total	687	264 793	695	276 699	658	289 020	465	165	630	307 442	726	395 703	726	422 340	757	457 406	6.3%	14.2%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

9.2 Training

Table 4.33 reflects the payments and estimates on training for the seven-year period.

The amounts reflected pertain to capacitating and improving the skills of the staff of the department, in line with the Skills Development Act requirement to budget at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development. The training budget is under all programmes excluding Programme 4 for capacitating and improving the skills of staff.

Table 4.33 : Information on training: Economic Development, Tourism and Environmental Affairs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
R thousand									
Number of staff	687	695	658	630	630	630	726	726	757
Number of personnel trained	346	346	346	363	363	363	384	406	428
of which									
Male	137	137	137	144	144	144	152	161	170
Female	209	209	209	219	219	219	232	245	258
Number of training opportunities	90	90	90	95	95	95	100	105	111
of which									
Tertiary	30	30	30	32	32	32	33	35	37
Workshops	40	40	40	42	42	42	44	47	50
Seminars	20	20	20	21	21	21	22	23	24
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	56	56	56	59	59	59	62	66	70
Number of interns appointed	38	38	38	40	40	40	42	45	47
Number of learnerships appointed	21	21	21	22	22	22	23	25	26
Number of days spent on training	211	211	211	222	222	222	234	248	262
Payments on training by programme									
1. Administration	2 042	891	1 433	1 373	824	683	3 280	3 470	3 661
2. Integrated Economic Development Services	30	1 079	978	940	600	600	1 190	201	212
3. Trade and Sector Development	-	100	83	253	205	158	345	455	480
4. Business Regulation and Governance	-	-	-	-	138	138	-	-	-
5. Economic Planning	21	27	126	75	25	25	79	84	89
6. Tourism	-	-	-	-	-	-	1 300	1 365	1 440
7. Environmental Affairs	269	1 550	116	833	1 496	1 496	893	944	996
Total	2 362	3 647	2 736	3 474	3 288	3 100	7 087	6 519	6 878

ANNEXURE – VOTE 4: ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

Table 4.A : Details of departmental receipts: Economic Development, Tourism and Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	25 596	25 306	24 456	28 898	28 898	28 898	25 500	26 500	27 500
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	25 596	25 306	24 456	28 898	28 898	28 898	25 500	26 500	27 500
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	2 363	1 908	1 182	2 419	2 419	2 389	2 541	2 684	2 831
Sales of goods and services produced by department (excluding capital assets)	2 363	1 908	1 182	2 419	2 419	2 389	2 541	2 684	2 831
Sale by market establishments	141	64	56	64	64	64	68	72	76
Administrative fees	1 994	964	866	1 200	1 200	1 170	1 260	1 331	1 404
Other sales	228	880	260	1 155	1 155	1 155	1 213	1 281	1 351
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 195	626	1 286	525	525	647	555	587	619
Interest, dividends and rent on land	5	8	64	6	6	2	7	7	7
Interest	5	8	64	6	6	2	7	7	7
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	302	762	-	200	200	200	200	200	211
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	302	762	-	200	200	200	200	200	211
Transactions in financial assets and liabilities	105 700	35 116	5 065	56	56	672	60	63	66
Total	135 161	63 726	32 053	32 104	32 104	32 808	28 863	30 041	31 234

Table 4.B : Payments and estimates by economic classification: Economic Development, Tourism and Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	626 825	650 090	693 242	934 905	734 982	726 545	902 818	1 007 690	1 073 711
Compensation of employees	264 793	276 699	289 020	363 365	315 320	307 442	395 703	422 340	457 406
Salaries and wages	234 820	244 082	254 639	309 810	277 468	271 588	325 189	347 222	377 404
Social contributions	29 973	32 617	34 381	53 555	37 852	35 854	70 514	75 118	80 002
Goods and services	362 032	373 391	404 222	571 540	419 662	419 103	507 115	585 350	616 305
Administrative fees	2 295	3 264	2 101	1 890	1 714	1 809	993	1 052	1 110
Advertising	9 977	17 743	12 932	14 085	15 413	15 026	15 660	16 553	17 465
Minor assets	660	611	535	3 309	1 736	1 579	3 869	3 824	4 036
Audit cost: External	2 468	3 422	3 739	5 040	5 781	4 886	6 000	6 348	6 697
Bursaries: Employees	77	128	339	390	252	197	1 620	1 714	1 808
Catering: Departmental activities	3 650	3 242	2 725	7 066	3 054	2 342	3 699	3 909	3 901
Communication (G&S)	8 656	10 002	11 498	18 172	17 919	17 066	8 199	8 672	9 150
Computer services	11 944	10 887	26 495	15 244	20 677	21 051	18 000	19 044	20 091
Cons & prof serv: Business and advisory services	82 143	136 482	141 130	259 737	122 787	122 272	127 678	184 945	196 700
Infrastructure and planning	-	-	3	-	-	-	-	-	-
Laboratory services	-	-	-	21	21	21	22	23	24
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	11 394	6 288	16 458	3 515	6 705	6 104	4 110	4 349	4 588
Contractors	25 438	21 678	21 634	22 268	15 721	19 702	38 146	40 125	42 332
Agency and support / outsourced services	89 274	52 466	36 103	61 681	58 160	62 524	62 690	61 986	65 395
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	2 351	2 201	3 952	2 712	4 619	4 568	4 608	4 875	5 143
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	223	5	609	5 402	6 268	4 264	5 532	5 853	6 175
Inventory: Farming supplies	5 824	11 274	3 158	9 980	11 525	9 160	34 411	36 221	38 213
Inventory: Food and food supplies	-	-	-	10	5	5	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	63	68	71
Inventory: Medical supplies	-	-	-	500	150	150	100	106	112
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	5 653	57	769	866	2 137	2 244	2 367
Consumable supplies	3 523	9 301	3 977	1 708	2 051	1 519	2 546	2 689	2 836
Consumable: Stationery, printing and office supplies	3 738	2 217	1 676	5 172	2 542	2 536	5 281	5 586	5 582
Operating leases	28 160	15 124	38 600	40 830	37 261	32 875	47 126	54 860	57 878
Property payments	15 792	17 562	23 791	14 904	24 093	28 402	30 641	33 733	35 460
Transport provided: Departmental activity	1 589	439	969	2 835	2 473	2 411	2 284	2 407	2 540
Travel and subsistence	36 784	38 387	34 282	52 720	34 889	35 100	60 520	63 411	65 181
Training and development	2 362	3 647	2 736	3 474	3 288	3 100	7 087	6 519	6 878
Operating payments	5 469	3 089	2 930	7 788	12 582	12 331	8 104	7 906	8 340
Venues and facilities	4 877	3 517	5 392	8 450	5 094	5 083	3 544	3 749	3 511
Rental and hiring	3 364	415	805	2 580	2 113	2 154	2 445	2 579	2 721
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 295 860	2 329 045	1 896 651	1 846 654	2 051 842	2 052 147	2 099 465	2 170 724	2 287 126
Provinces and municipalities	17 029	9 552	10 003	562	36 797	36 797	19 938	20 936	22 088
Provinces	24	52	3	62	47	47	63	67	71
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	24	52	3	62	47	47	63	67	71
Municipalities	17 005	9 500	10 000	500	36 750	36 750	19 875	20 869	22 017
Municipalities	900	-	2 500	-	31 700	31 700	8 000	8 400	8 862
Municipal agencies and funds	16 105	9 500	7 500	500	5 050	5 050	11 875	12 469	13 155
Departmental agencies and accounts	1 544 482	1 543 700	1 374 300	1 467 700	1 506 235	1 506 235	1 590 754	1 641 768	1 732 065
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1 544 482	1 543 700	1 374 300	1 467 700	1 506 235	1 506 235	1 590 754	1 641 768	1 732 065
Higher education institutions	3 030	2 000	10 617	10 980	12 980	12 980	31 138	32 695	34 494
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	551 961	540 534	288 348	184 079	303 719	303 719	251 662	262 437	276 872
Public corporations	346 970	390 947	203 937	172 679	283 229	283 229	230 089	239 782	252 970
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	346 970	390 947	203 937	172 679	283 229	283 229	230 089	239 782	252 970
Private enterprises	204 991	149 587	84 411	11 400	20 490	20 490	21 573	22 655	23 902
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	204 991	149 587	84 411	11 400	20 490	20 490	21 573	22 655	23 902
Non-profit institutions	164 515	222 421	200 098	180 673	188 323	188 323	198 577	206 588	214 960
Households	14 843	10 838	13 285	2 660	3 788	4 093	7 396	6 300	6 647
Social benefits	1 147	1 159	9 226	-	1 128	1 433	6 000	6 300	6 647
Other transfers to households	13 696	9 679	4 059	2 660	2 660	2 660	1 396	-	-
Payments for capital assets	33 107	3 843	5 288	2 844	9 629	9 764	7 013	2 280	2 406
Buildings and other fixed structures	28	17	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	28	17	-	-	-	-	-	-	-
Machinery and equipment	10 079	3 826	5 206	2 844	9 473	9 608	7 013	2 280	2 406
Transport equipment	4 024	2 026	1 898	-	2 575	2 575	-	-	-
Other machinery and equipment	6 055	1 800	3 308	2 844	6 898	7 033	7 013	2 280	2 406
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	23 000	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	82	-	156	156	-	-	-
Payments for financial assets	11	607	1 716	-	-	51	-	-	-
Total	2 955 803	2 983 585	2 596 897	2 784 403	2 796 453	2 788 507	3 009 296	3 180 694	3 363 243
Unauth. Exp. (1st charge) not available for spending	-	(236)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 955 803	2 983 349	2 596 897	2 784 403	2 796 453	2 788 507	3 009 296	3 180 694	3 363 243

Table 4.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	185 522	181 171	275 331	241 954	255 550	254 159	266 715	289 651	307 706
Compensation of employees	70 809	71 157	75 311	97 461	80 631	79 238	111 297	118 957	128 833
Salaries and wages	63 165	63 015	66 585	83 414	70 572	69 588	91 693	97 904	106 412
Social contributions	7 644	8 142	8 726	14 047	10 059	9 650	19 604	21 053	22 421
Goods and services	114 713	110 014	200 020	144 493	174 919	174 921	155 418	170 694	178 873
Administrative fees	1 905	1 897	792	1 030	856	832	495	524	553
Advertising	4 211	8 633	6 143	3 524	9 290	9 392	7 674	8 120	8 567
Minor assets	121	274	105	14	691	811	736	723	763
Audit cost: External	2 468	3 422	3 739	5 040	5 781	4 886	6 000	6 348	6 697
Bursaries: Employees	77	128	339	390	252	197	1 500	1 587	1 674
Catering: Departmental activities	347	1 337	564	198	138	100	200	212	224
Communication (G&S)	5 939	7 412	10 175	12 308	15 032	14 769	3 591	3 800	4 010
Computer services	11 915	10 147	25 858	14 944	20 477	20 478	18 000	19 044	20 091
Cons & prof serv: Business and advisory services	12 288	13 610	46 797	15 141	19 491	20 564	250	264	279
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	2 696	4 449	16 157	3 515	5 697	5 096	2 610	2 762	2 914
Contractors	7 278	8 971	8 948	6 070	7 300	8 090	6 734	7 125	7 517
Agency and support / outsourced services	23	398	1 070	962	944	739	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	2 123	2 201	3 625	2 712	4 616	4 565	4 608	4 875	5 143
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	11	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	35	-	11	90	-	-	-
Consumable supplies	149	114	264	499	451	118	179	189	199
Consumable: Stationery, printing and office supplies	2 086	1 801	1 478	2 031	1 444	1 471	2 660	2 815	2 660
Operating leases	25 205	14 841	38 398	40 030	36 821	32 505	47 126	54 860	57 878
Property payments	15 623	17 452	23 221	14 446	23 993	28 302	30 641	33 733	35 460
Transport provided: Departmental activity	210	22	-	-	342	342	-	-	-
Travel and subsistence	14 206	10 955	9 159	12 036	8 007	8 588	10 861	11 491	11 795
Training and development	2 042	891	1 433	1 373	824	683	3 280	3 470	3 661
Operating payments	3 266	1 039	1 243	5 186	10 416	10 236	5 383	5 695	6 007
Venues and facilities	319	15	388	3 044	2 044	2 033	2 890	3 057	2 781
Rental and hiring	216	5	89	-	1	23	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 804	1 297	2 962	620	749	749	582	77	82
Provinces and municipalities	24	52	3	62	47	47	63	67	71
Provinces	24	52	3	62	47	47	63	67	71
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	24	52	3	62	47	47	63	67	71
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	548	7	9	9	9	9	9	10	11
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	548	7	9	9	9	9	9	10	11
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	256	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	256	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	256	-	-	-	-	-	-	-
Non-profit institutions	129	-	-	-	-	-	-	-	-
Households	1 103	982	2 950	549	693	693	510	-	-
Social benefits	104	483	2 431	-	144	144	-	-	-
Other transfers to households	999	499	519	549	549	549	510	-	-
Payments for capital assets	8 638	2 977	2 997	1 081	4 717	4 832	3 813	593	626
Buildings and other fixed structures	28	17	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	28	17	-	-	-	-	-	-	-
Machinery and equipment	8 610	2 960	2 915	1 081	4 609	4 724	3 813	593	626
Transport equipment	4 024	2 026	1 898	-	2 575	2 575	-	-	-
Other machinery and equipment	4 586	934	1 017	1 081	2 034	2 149	3 813	593	626
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	82	-	108	108	-	-	-
Payments for financial assets	11	132	555	-	-	-	-	-	-
Total	195 975	185 577	281 845	243 655	261 016	259 740	271 110	290 321	308 414

Table 4.D : Payments and estimates by economic classification: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	113 698	115 832	125 716	250 518	152 630	151 271	209 851	220 081	236 440
Compensation of employees	51 482	54 286	55 049	65 304	60 736	59 377	67 923	72 595	78 623
Salaries and wages	46 393	48 836	49 346	56 856	54 412	53 436	56 795	60 650	65 901
Social contributions	5 089	5 450	5 703	8 448	6 324	5 941	11 128	11 945	12 722
Goods and services	62 216	61 546	70 667	185 214	91 894	91 894	141 928	147 486	157 817
Administrative fees	153	275	173	493	325	319	171	181	191
Advertising	1 772	905	1 344	4 685	2 298	2 163	1 530	1 616	1 705
Minor assets	74	10	49	240	48	83	750	746	787
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 248	918	784	3 365	1 751	1 042	-	-	-
Communication (G&S)	773	869	251	1 099	544	407	1 796	1 901	2 006
Computer services	-	608	-	-	-	373	-	-	-
Cons & prof serv: Business and advisory services	40 190	48 099	57 511	148 691	73 548	74 035	83 481	87 370	95 169
Infrastructure and planning	-	-	3	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	368	203	-	-	-	-	-	-	-
Contractors	3 249	71	1 856	3 410	2 365	2 365	21 490	22 570	23 811
Agency and support / outsourced services	15	3	-	600	540	540	310	326	344
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	22 535	23 662	24 963
Inventory: Food and food supplies	-	-	-	10	5	5	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	4	-	-	-	-	-	-
Consumable supplies	1 745	2	593	5	20	80	41	43	45
Consumable: Stationery, printing and office supplies	16	2	-	1 030	530	530	50	53	56
Operating leases	170	67	-	600	300	250	-	-	-
Property payments	-	62	61	458	100	100	-	-	-
Transport provided: Departmental activity	866	163	264	1 560	980	937	200	212	224
Travel and subsistence	6 341	5 305	5 036	11 183	4 238	4 376	7 450	7 882	7 541
Training and development	30	1 079	978	940	600	600	1 190	201	212
Operating payments	69	73	48	695	698	695	374	131	138
Venues and facilities	1 343	2 492	1 350	3 720	2 000	2 000	-	-	-
Rental and hiring	2 794	340	362	2 430	1 004	994	560	592	625
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	388 776	311 575	184 656	107 085	220 985	220 985	209 206	213 427	222 175
Provinces and municipalities	992	2 000	2 000	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	992	2 000	2 000	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	992	2 000	2 000	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	5 060	5 060	20 000	21 000	22 155
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	5 060	5 060	20 000	21 000	22 155
Higher education institutions	2 780	-	2 000	6 000	8 000	8 000	20 688	21 722	22 917
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	317 190	206 480	106 629	45 074	151 914	151 914	107 232	110 005	116 056
Public corporations	278 800	192 000	77 567	45 074	150 624	150 624	100 559	102 998	108 663
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	278 800	192 000	77 567	45 074	150 624	150 624	100 559	102 998	108 663
Private enterprises	38 390	14 480	29 062	-	1 290	1 290	6 673	7 007	7 393
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	38 390	14 480	29 062	-	1 290	1 290	6 673	7 007	7 393
Non-profit institutions	55 000	95 000	64 400	54 400	54 400	54 400	54 400	54 400	54 400
Households	12 814	8 095	9 627	1 611	1 611	1 611	6 886	6 300	6 647
Social benefits	117	100	6 087	-	-	-	6 000	6 300	6 647
Other transfers to households	12 697	7 995	3 540	1 611	1 611	1 611	886	-	-
Payments for capital assets	412	82	435	450	274	274	253	58	61
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	412	82	435	450	274	274	253	58	61
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	412	82	435	450	274	274	253	58	61
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	110	952	-	-	-	-	-	-
Total	502 886	427 599	311 759	358 053	373 889	372 530	419 310	433 566	458 676

Table 4.E : Payments and estimates by economic classification: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	36 136	34 261	43 922	89 043	38 877	37 486	53 736	72 022	76 260
Compensation of employees	8 344	10 673	11 481	17 969	14 447	13 056	15 021	15 479	16 764
Salaries and wages	7 491	9 581	10 312	15 668	12 749	11 583	12 247	13 079	14 208
Social contributions	853	1 092	1 169	2 301	1 698	1 473	2 774	2 400	2 556
Goods and services	27 792	23 588	32 441	71 074	24 430	24 430	38 715	56 543	59 496
Administrative fees	51	181	119	44	61	54	-	-	-
Advertising	1 146	4 366	3 845	1 926	1 316	1 317	1 055	1 113	1 175
Minor assets	23	4	7	396	174	139	400	423	447
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	79	237	28	50	33	29	80	85	90
Communication (G&S)	171	128	51	1 836	918	761	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	17 716	13 557	22 847	59 970	17 503	15 367	17 800	34 220	36 103
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	1 754	2 042	2 346	2 142	1 078	4 229	120	126	133
Agency and support / outsourced services	8	6	-	-	-	-	3 000	3 150	3 323
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	705	740	781
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	211	-	-	-	2 043	2 145	2 263
Consumable supplies	3	-	11	7	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	80	44	44	450	476	502
Operating leases	2 294	30	-	-	-	-	-	-	-
Property payments	167	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	180	-	-	-	-	400	420	443
Travel and subsistence	2 735	2 539	2 569	4 199	3 001	2 270	12 307	13 179	13 744
Training and development	-	100	83	253	205	158	345	455	480
Operating payments	38	137	82	171	97	62	-	-	-
Venues and facilities	1 607	37	242	-	-	-	-	-	-
Rental and hiring	-	44	-	-	-	-	10	11	12
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	773 513	905 455	756 670	753 520	784 312	784 394	847 508	877 017	925 255
Provinces and municipalities	-	500	6 000	-	31 700	31 700	11 000	11 550	12 185
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	500	6 000	-	31 700	31 700	11 000	11 550	12 185
Municipalities	-	-	2 500	-	31 700	31 700	8 000	8 400	8 862
Municipal agencies and funds	-	500	3 500	-	-	-	3 000	3 150	3 323
Departmental agencies and accounts	596 851	573 975	472 691	495 922	480 997	480 997	554 630	567 959	599 197
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	596 851	573 975	472 691	495 922	480 997	480 997	554 630	567 959	599 197
Higher education institutions	-	-	-	-	-	-	5 150	5 408	5 706
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	79 442	214 664	150 946	137 705	144 005	144 005	139 830	147 599	155 717
Public corporations	68 170	198 947	126 370	127 605	132 605	132 605	129 530	136 784	144 307
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	68 170	198 947	126 370	127 605	132 605	132 605	129 530	136 784	144 307
Private enterprises	11 272	15 717	24 576	10 100	11 400	11 400	10 300	10 815	11 410
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	11 272	15 717	24 576	10 100	11 400	11 400	10 300	10 815	11 410
Non-profit institutions	97 159	116 316	127 033	119 393	127 043	127 043	136 898	144 501	152 450
Households	61	-	-	500	567	649	-	-	-
Social benefits	61	-	-	-	67	149	-	-	-
Other transfers to households	-	-	-	500	500	500	-	-	-
Payments for capital assets	23 128	55	44	-	163	163	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	128	55	44	-	163	163	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	128	55	44	-	163	163	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	23 000	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	15	88	-	-	-	-	-	-
Total	832 777	939 786	800 724	842 563	823 352	822 043	901 244	949 039	1 001 515

Table 4.F : Payments and estimates by economic classification: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	26 904	26 519	25 837	36 672	27 182	26 575	39 686	42 128	44 829
Compensation of employees	16 716	16 794	18 454	22 646	19 081	18 442	21 486	22 965	24 872
Salaries and wages	14 697	14 635	16 048	19 238	16 672	16 222	17 640	18 835	20 473
Social contributions	2 019	2 159	2 406	3 408	2 409	2 220	3 846	4 130	4 399
Goods and services	10 188	9 725	7 383	14 026	8 101	8 133	18 200	19 163	19 957
Administrative fees	35	74	71	153	155	169	100	106	112
Advertising	1 800	2 122	669	1 250	737	737	1 100	1 164	1 228
Minor assets	68	7	26	220	119	61	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	120	127	134
Catering: Departmental activities	499	26	80	1 040	338	386	1 015	1 074	1 133
Communication (G&S)	435	535	168	348	75	-	180	190	200
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	1 110	1 334	1 064	1 100	400	400	7 000	7 350	7 754
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	3 459	3 001	3 048	6 446	2 707	2 707	4 500	4 725	4 985
Agency and support / outsourced services	3	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	28	-	-	-	-	-	-
Consumable supplies	4	1	26	-	21	21	5	5	5
Consumable: Stationery, printing and office supplies	32	-	3	50	26	22	50	53	56
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	247	-	52	400	300	281	-	-	-
Travel and subsistence	1 704	2 347	2 008	2 749	2 275	2 392	4 010	4 242	4 216
Training and development	-	-	-	-	138	138	-	-	-
Operating payments	397	222	100	120	60	40	120	127	134
Venues and facilities	108	56	-	150	750	750	-	-	-
Rental and hiring	287	-	40	-	-	29	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	77 407	70 065	74 188	75 990	77 990	77 990	80 189	84 680	89 337
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	77 282	70 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	77 282	70 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	125	57	435	-	-	-	-	-	-
Social benefits	125	57	435	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	225	49	143	-	139	139	270	74	78
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	225	49	143	-	139	139	270	74	78
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	225	49	143	-	139	139	270	74	78
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	71	110	-	-	34	-	-	-
Total	104 536	96 704	100 278	112 662	105 311	104 738	120 145	126 882	134 244

Table 4.G : Payments and estimates by economic classification: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	22 667	27 348	24 088	28 727	19 440	19 352	26 594	28 081	29 977
Compensation of employees	13 031	14 281	14 462	16 877	14 515	14 444	18 196	19 444	21 059
Salaries and wages	11 706	12 791	12 920	14 487	12 877	12 867	15 258	16 293	17 702
Social contributions	1 325	1 490	1 542	2 390	1 638	1 577	2 938	3 151	3 357
Goods and services	9 636	13 067	9 626	11 850	4 925	4 908	8 398	8 637	8 918
Administrative fees	25	123	96	12	47	60	9	9	9
Advertising	27	200	3	315	182	167	419	443	467
Minor assets	115	14	47	172	152	173	204	216	228
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	31	19	17	16	67	63	20	21	22
Communication (G&S)	167	158	50	280	138	69	315	332	350
Computer services	29	132	127	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	5 813	9 796	6 336	8 250	1 737	1 693	4 100	4 318	4 556
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	34	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	40	242	240	242	242	5	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	28	37	45	10	22	23	15	16	17
Consumable: Stationery, printing and office supplies	190	115	157	407	240	233	477	505	533
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	6	-	-	-	-	-	-
Travel and subsistence	1 486	1 604	1 687	1 518	1 483	1 598	2 168	2 241	2 170
Training and development	21	27	126	75	25	25	79	84	89
Operating payments	633	645	687	505	580	552	587	452	477
Venues and facilities	1 037	157	-	50	-	-	-	-	-
Rental and hiring	-	-	-	-	10	10	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	266	2 031	11 617	10 780	13 330	13 330	13 300	13 965	14 732
Provinces and municipalities	-	-	500	-	3 050	3 050	2 500	2 625	2 769
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	500	-	3 050	3 050	2 500	2 625	2 769
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	500	-	3 050	3 050	2 500	2 625	2 769
Departmental agencies and accounts	-	-	2 500	5 000	5 000	5 000	2 500	2 625	2 769
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	2 500	5 000	5 000	5 000	2 500	2 625	2 769
Higher education institutions	250	2 000	8 617	4 980	4 980	4 980	5 300	5 565	5 871
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	800	300	300	3 000	3 150	3 323
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	800	300	300	3 000	3 150	3 323
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	800	300	300	3 000	3 150	3 323
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	16	31	-	-	-	-	-	-	-
Social benefits	16	31	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	253	70	88	-	283	283	130	32	34
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	253	70	88	-	235	235	130	32	34
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	253	70	88	-	235	235	130	32	34
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	48	48	-	-	-
Payments for financial assets	-	43	6	-	-	5	-	-	-
Total	23 186	29 492	35 799	39 507	33 053	32 970	40 024	42 078	44 743

Estimates of Provincial Revenue and Expenditure

Table 4.H : Payments and estimates by economic classification: Tourism

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	26 057	72 760	26 909	47 420	28 448	27 688	44 897	84 269	89 395
Compensation of employees	8 743	10 546	12 775	19 382	13 793	13 033	23 913	25 556	27 677
Salaries and wages	7 820	9 470	11 479	16 960	12 393	11 721	20 381	21 763	23 638
Social contributions	923	1 076	1 296	2 422	1 400	1 312	3 532	3 793	4 039
Goods and services	17 314	62 214	14 134	28 038	14 655	14 655	20 984	58 713	61 718
Administrative fees	49	141	180	9	40	76	-	-	-
Advertising	945	619	543	1 730	1 520	1 250	3 280	3 460	3 651
Minor assets	5	3	-	-	12	12	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	209	61	433	1 340	446	441	1 220	1 286	1 134
Communication (G&S)	108	139	23	150	-	280	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	4 644	49 904	5 136	20 340	7 809	7 838	3 970	40 800	43 044
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	9 358	5 064	1 920	440	551	558	2 830	2 972	3 136
Agency and support / outsourced services	3	-	-	-	-	-	250	263	277
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	100	106	112
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	60	63	66
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	15	-	-	-	50	50	500	525	554
Consumable: Stationery, printing and office supplies	11	20	28	80	47	47	400	422	444
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	252	67	483	510	701	701	1 270	1 337	1 411
Travel and subsistence	1 573	5 553	1 936	2 389	2 359	2 282	3 974	4 196	4 426
Training and development	-	-	-	-	-	-	1 300	1 365	1 440
Operating payments	75	7	59	-	2	2	10	-	-
Venues and facilities	-	610	3 079	900	20	20	-	-	-
Rental and hiring	67	26	314	150	1 098	1 098	1 820	1 918	2 023
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	336 648	302 678	219 798	184 059	196 959	197 155	202 889	211 783	223 432
Provinces and municipalities	14 113	2 500	1 500	500	2 000	2 000	5 375	5 644	5 955
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	14 113	2 500	1 500	500	2 000	2 000	5 375	5 644	5 955
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	14 113	2 500	1 500	500	2 000	2 000	5 375	5 644	5 955
Departmental agencies and accounts	166 906	180 744	188 725	183 059	187 459	187 459	195 914	204 456	215 701
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	166 906	180 744	188 725	183 059	187 459	187 459	195 914	204 456	215 701
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	155 329	118 834	29 273	500	7 500	7 500	1 600	1 683	1 776
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	155 329	118 834	29 273	500	7 500	7 500	1 600	1 683	1 776
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	155 329	118 834	29 273	500	7 500	7 500	1 600	1 683	1 776
Non-profit institutions	300	600	300	-	-	-	-	-	-
Households	-	-	-	-	-	196	-	-	-
Social benefits	-	-	-	-	-	196	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	70	455	455	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	70	455	455	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	70	455	455	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	236	1	-	-	12	-	-	-
Total	362 705	375 674	246 708	231 549	225 862	225 310	247 786	296 052	312 827
Unauth. Exp. (1st charge) not available for spending	-	(236)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	362 705	375 438	246 708	231 549	225 862	225 310	247 786	296 052	312 827

Table 4.1 : Payments and estimates by economic classification: Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	215 841	192 199	171 439	240 571	212 855	210 014	261 339	271 458	289 104
Compensation of employees	95 668	98 962	101 488	123 726	112 117	109 852	137 867	147 344	159 578
Salaries and wages	83 548	85 754	87 949	103 187	97 793	96 171	111 175	118 698	129 070
Social contributions	12 120	13 208	13 539	20 539	14 324	13 681	26 692	28 646	30 508
Goods and services	120 173	93 237	69 951	116 845	100 738	100 162	123 472	124 114	129 526
Administrative fees	77	573	670	149	230	299	218	232	245
Advertising	76	898	385	655	70	-	602	637	672
Minor assets	254	299	301	2 267	540	300	1 779	1 716	1 811
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	237	644	819	1 057	281	281	1 164	1 231	1 298
Communication (G&S)	1 063	761	780	2 151	1 212	780	2 317	2 449	2 584
Computer services	-	-	510	300	200	200	-	-	-
Cons & prof serv: Business and advisory services	382	182	1 439	6 245	2 299	2 375	11 077	10 623	9 795
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	21	21	21	22	23	24
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	8 330	1 636	301	-	1 008	1 008	1 500	1 587	1 674
Contractors	306	2 529	3 516	3 760	1 720	1 753	2 472	2 607	2 750
Agency and support / outsourced services	89 222	52 019	34 791	59 879	56 434	61 003	59 125	58 247	61 451
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	228	-	327	-	3	3	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	223	5	609	5 402	6 268	4 264	5 432	5 747	6 063
Inventory: Farming supplies	5 824	11 274	3 158	9 980	11 525	9 149	11 171	11 819	12 469
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	3	5	5
Inventory: Medical supplies	-	-	-	500	150	150	100	106	112
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	5 375	57	758	776	94	99	104
Consumable supplies	1 579	9 147	3 038	1 187	1 487	1 227	1 806	1 911	2 016
Consumable: Stationery, printing and office supplies	1 403	279	10	1 494	211	189	1 194	1 262	1 331
Operating leases	491	186	202	200	140	120	-	-	-
Property payments	2	48	509	-	-	-	-	-	-
Transport provided: Departmental activity	14	7	164	365	150	150	414	438	462
Travel and subsistence	8 739	10 084	11 887	18 646	13 526	13 594	19 750	20 180	21 289
Training and development	269	1 550	116	833	1 496	1 496	893	944	996
Operating payments	991	966	711	1 111	729	744	1 630	1 501	1 584
Venues and facilities	463	150	333	586	280	280	654	692	730
Rental and hiring	-	-	-	-	-	-	55	58	61
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	717 446	735 944	646 760	714 600	757 517	757 544	745 791	769 775	812 113
Provinces and municipalities	1 900	4 500	-	-	-	-	1 000	1 050	1 108
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	1 900	4 500	-	-	-	-	1 000	1 050	1 108
Municipalities	900	-	-	-	-	-	-	-	-
Municipal agencies and funds	1 000	4 500	-	-	-	-	1 000	1 050	1 108
Departmental agencies and accounts	702 895	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	702 895	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	300	1 500	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	300	1 500	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	300	1 500	-	-	-	-	-	-
Non-profit institutions	11 927	10 505	8 365	6 880	6 880	6 880	7 279	7 687	8 110
Households	724	1 673	273	-	917	944	-	-	-
Social benefits	724	488	273	-	917	944	-	-	-
Other transfers to households	-	1 185	-	-	-	-	-	-	-
Payments for capital assets	451	610	1 581	1 243	3 598	3 618	2 547	1 523	1 607
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	451	610	1 581	1 243	3 598	3 618	2 547	1 523	1 607
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	451	610	1 581	1 243	3 598	3 618	2 547	1 523	1 607
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	4	-	-	-	-	-	-
Total	933 738	928 753	819 784	956 414	973 970	971 176	1 009 677	1 042 756	1 102 824

Table 4.J : Details of payments and estimates by economic classification - Sub-programme: Environmental Policy Planning and Co-ordination

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	3 754	6 434	7 886	9 333	9 290	9 277	15 163	14 937	15 951
Compensation of employees	3 000	5 040	6 163	5 101	6 062	6 049	6 432	6 874	7 445
Salaries and wages	2 678	4 489	5 431	4 444	5 274	5 265	5 311	5 670	6 163
Social contributions	322	551	732	657	788	784	1 121	1 204	1 282
Goods and services	754	1 394	1 723	4 232	3 228	3 228	8 731	8 063	8 506
Administrative fees	22	76	29	20	18	14	20	21	22
Advertising	-	29	3	150	-	-	200	212	224
Minor assets	-	8	9	5	-	-	282	277	292
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	25	10	5	1	1	1	75	79	83
Communication (G&S)	-	36	17	84	66	52	190	201	212
Computer services	-	-	510	300	200	200	-	-	-
Cons & prof serv: Business and advisory services	-	42	207	1 000	1 841	1 841	5 020	4 221	4 453
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	2	2	-	-	-
Agency and support / outsourced services	-	-	-	1 200	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	50	30	30	200	212	224
Consumable: Stationery, printing and office supplies	29	10	-	145	-	-	290	307	324
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	655	1 117	765	1 161	905	924	2 138	2 262	2 386
Training and development	-	-	-	18	142	142	-	-	-
Operating payments	23	66	178	98	23	22	316	271	286
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	4 500	135	-	-	-	1 000	1 050	1 108
Provinces and municipalities	-	4 500	-	-	-	-	1 000	1 050	1 108
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	4 500	-	-	-	-	1 000	1 050	1 108
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	4 500	-	-	-	-	1 000	1 050	1 108
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	135	-	-	-	-	-	-
Social benefits	-	-	135	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	10	9	134	90	-	-	250	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10	9	134	90	-	-	250	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	10	9	134	90	-	-	250	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 764	10 943	8 155	9 423	9 290	9 277	16 413	15 987	17 059

Table 4.K : Details of payments and estimates by economic classification - Sub-programme: Compliance and Enforcement

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	32 343	32 413	28 951	39 592	33 900	33 102	42 141	44 501	47 952
Compensation of employees	28 199	28 427	24 977	31 136	28 455	28 235	33 502	35 780	38 751
Salaries and wages	24 337	24 803	21 973	26 119	25 195	25 097	28 144	30 058	32 657
Social contributions	3 862	3 624	3 004	5 017	3 260	3 138	5 358	5 722	6 094
Goods and services	4 144	3 986	3 974	8 456	5 445	4 867	8 639	8 721	9 201
Administrative fees	-	23	56	-	14	26	-	-	-
Advertising	14	-	-	-	-	-	-	-	-
Minor assets	75	28	145	388	282	89	411	434	458
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	6	-	-	-	-	-	-	-	-
Communication (G&S)	464	125	85	664	327	217	703	742	783
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	21	21	21	22	23	24
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	8	8	-	-	-
Contractors	-	888	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	7	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	85	-	30	263	600	600	278	294	310
Inventory: Farming supplies	-	27	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	25	196	-	30	33	-	-	-
Consumable: Stationery, printing and office supplies	116	27	-	158	83	83	167	176	186
Operating leases	183	20	-	-	-	-	-	-	-
Property payments	2	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 560	2 609	3 377	6 647	3 651	3 361	6 725	6 700	7 069
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	197	214	85	315	429	429	333	352	371
Venues and facilities	435	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	74	333	67	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	74	333	67	-	-	-	-	-	-
Social benefits	74	333	67	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	176	72	745	239	1 239	1 239	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	176	72	745	239	1 239	1 239	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	176	72	745	239	1 239	1 239	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	32 593	32 818	29 763	39 831	35 139	34 341	42 141	44 501	47 952

Table 4.L : Details of payments and estimates by economic classification - Sub-programme: Environmental Quality Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	26 971	32 228	34 773	52 019	40 568	39 165	57 800	61 492	64 828
Compensation of employees	24 757	27 093	29 503	40 654	35 447	34 044	45 643	48 790	52 841
Salaries and wages	21 625	23 143	25 273	33 705	31 245	30 104	36 424	38 885	42 292
Social contributions	3 132	3 950	4 230	6 949	4 202	3 940	9 219	9 905	10 549
Goods and services	2 214	5 135	5 270	11 365	5 121	5 121	12 157	12 702	11 987
Administrative fees	55	214	78	107	78	76	110	117	123
Advertising	-	101	-	-	-	-	-	-	-
Minor assets	129	204	46	1 311	48	48	237	106	112
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	42	17	5	46	-	-	-	-	-
Communication (G&S)	-	208	179	424	214	144	595	629	664
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	331	-	1 121	4 100	458	534	5 257	5 556	4 449
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	1 247	-	-	-	-	-	-	-
Contractors	1	-	773	1 050	750	750	1 350	1 420	1 498
Agency and support / outsourced services	-	58	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	3	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	54	5	60	55	-	-	55	58	61
Inventory: Farming supplies	-	(23)	-	-	-	-	5	5	5
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	3	5	5
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	1	57	574	574	94	99	104
Consumable supplies	2	91	4	145	100	100	102	108	114
Consumable: Stationery, printing and office supplies	52	108	-	432	22	-	437	462	487
Operating leases	-	74	22	-	-	-	-	-	-
Property payments	-	-	509	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 258	2 503	2 248	3 165	2 862	2 862	3 335	3 528	3 722
Training and development	-	-	-	210	-	-	221	233	246
Operating payments	287	328	224	263	15	33	356	376	397
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	900	11	1 515	-	28	56	-	-	-
Provinces and municipalities	900	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	900	-	-	-	-	-	-	-	-
Municipalities	900	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	1 500	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	1 500	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	1 500	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	11	15	-	28	56	-	-	-
Social benefits	-	11	15	-	28	56	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	227	297	161	893	1 805	1 805	2 062	1 470	1 551
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	227	297	161	893	1 805	1 805	2 062	1 470	1 551
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	227	297	161	893	1 805	1 805	2 062	1 470	1 551
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	28 098	32 536	36 449	52 912	42 401	41 026	59 862	62 962	66 379

Table 4.M : Details of payments and estimates by economic classification - Sub-programme: Biodiversity Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	114 485	82 157	55 977	97 439	94 367	93 907	99 086	100 594	106 743
Compensation of employees	13 488	8 426	14 859	19 390	17 548	17 087	20 515	21 931	23 752
Salaries and wages	12 110	7 418	12 953	16 147	14 869	14 561	16 205	17 300	18 820
Social contributions	1 378	1 008	1 906	3 243	2 679	2 526	4 310	4 631	4 932
Goods and services	100 997	73 731	41 118	78 049	76 819	76 820	78 571	78 663	82 991
Administrative fees	-	32	52	10	28	32	10	11	12
Advertising	-	33	1	-	-	-	-	-	-
Minor assets	14	3	20	122	150	150	45	48	51
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	6	-	29	-	-	-	-	-	-
Communication (G&S)	253	77	61	395	233	154	468	495	522
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	51	140	111	630	-	-	800	846	893
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	2 800	-	-	-	-	-	-	-	-
Contractors	291	638	399	500	-	-	500	529	558
Agency and support / outsourced services	88 707	51 729	34 791	58 679	56 434	61 003	59 125	58 247	61 451
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	218	-	-	-	3	3	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	493	5 004	5 388	3 384	5 010	5 301	5 593
Inventory: Farming supplies	5 195	10 866	1 987	8 030	10 275	7 899	9 000	9 522	10 046
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	500	150	150	100	106	112
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 523	7 915	1 607	70	430	430	500	529	558
Consumable: Stationery, printing and office supplies	498	21	-	748	85	85	278	294	310
Operating leases	288	70	180	200	140	120	-	-	-
Property payments	-	48	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	843	553	1 309	3 106	2 352	2 261	2 532	2 679	2 826
Training and development	269	1 550	24	-	1 049	1 049	-	-	-
Operating payments	41	56	54	55	102	100	203	56	59
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	709 439	729 090	644 570	714 127	756 164	756 163	744 291	768 197	810 448
Provinces and municipalities	1 000	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	1 000	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	1 000	-	-	-	-	-	-	-	-
Departmental agencies and accounts	702 895	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	702 895	718 966	636 622	707 720	749 720	749 720	737 512	761 038	802 895
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 540	10 105	7 925	6 407	6 407	6 407	6 779	7 159	7 553
Households	4	19	23	-	37	36	-	-	-
Social benefits	4	19	23	-	37	36	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	58	117	21	242	241	55	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	58	117	21	242	241	55	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	58	117	21	242	241	55	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	823 924	811 305	700 664	811 587	850 773	850 311	843 432	868 791	917 191

Table 4.N : Details of payments and estimates by economic classification - Sub-programme: Environmental Empowerment Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	29 117	33 305	31 126	36 183	29 409	29 268	40 784	43 157	46 365
Compensation of employees	24 019	26 993	23 301	24 629	21 730	21 589	27 886	29 811	32 286
Salaries and wages	20 873	23 389	20 105	20 316	18 667	18 642	22 031	23 518	25 584
Social contributions	3 146	3 604	3 196	4 313	3 063	2 947	5 855	6 293	6 702
Goods and services	5 098	6 312	7 825	11 554	7 679	7 679	12 898	13 346	14 079
Administrative fees	-	125	373	12	73	114	78	83	88
Advertising	9	280	-	362	-	-	402	425	448
Minor assets	33	53	81	400	60	13	754	798	842
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	158	617	774	980	280	280	1 089	1 152	1 215
Communication (G&S)	332	259	322	560	360	213	311	329	347
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	14	958	-	560	360	360	622	658	694
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	84	-	26	80	280	280	89	94	99
Inventory: Farming supplies	525	404	1 171	1 950	1 250	1 250	2 166	2 292	2 418
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	73	-	184	202	-	-	-
Consumable supplies	54	1 109	1 228	900	897	634	999	1 057	1 115
Consumable: Stationery, printing and office supplies	708	113	10	-	21	21	-	-	-
Operating leases	5	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	14	7	164	350	150	150	389	412	435
Travel and subsistence	2 763	1 953	3 021	3 835	3 019	3 417	4 261	4 208	4 439
Training and development	-	-	92	605	305	305	672	711	750
Operating payments	371	284	157	380	160	160	422	446	471
Venues and facilities	28	150	333	580	280	280	644	681	718
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 412	525	473	473	473	473	500	528	557
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	6 387	400	440	473	473	473	500	528	557
Households	25	125	33	-	-	-	-	-	-
Social benefits	25	125	33	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	38	140	424	-	312	333	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	38	140	424	-	312	333	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	38	140	424	-	312	333	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	35 567	33 970	32 023	36 656	30 194	30 074	41 284	43 685	46 922

Table 4.0 : Details of payments and estimates by economic classification - Sub-programme: Environmental Services Support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	9 171	5 662	12 726	6 005	5 321	5 295	6 365	6 777	7 265
Compensation of employees	2 205	2 983	2 685	2 816	2 875	2 848	3 889	4 158	4 503
Salaries and wages	1 925	2 512	2 214	2 456	2 543	2 502	3 060	3 267	3 554
Social contributions	280	471	471	360	332	346	829	891	949
Goods and services	6 966	2 679	10 041	3 189	2 446	2 447	2 476	2 619	2 762
Administrative fees	-	103	82	-	19	37	-	-	-
Advertising	53	455	381	143	70	-	-	-	-
Minor assets	3	3	-	41	-	-	50	53	56
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	6	30	-	-	-	-	-
Communication (G&S)	14	56	116	24	12	-	50	53	56
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	515	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	5 530	389	301	-	1 000	1 000	1 500	1 587	1 674
Contractors	-	45	2 344	1 650	608	641	-	-	-
Agency and support / outsourced services	515	232	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	327	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	104	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	5 301	-	-	-	-	-	-
Consumable supplies	-	7	3	22	-	-	5	5	5
Consumable: Stationery, printing and office supplies	-	-	-	11	-	-	22	23	24
Operating leases	15	22	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	15	-	-	25	26	27
Travel and subsistence	660	1 349	1 167	732	737	769	759	803	847
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	72	18	13	-	-	-	-	-	-
Venues and facilities	-	-	-	6	-	-	10	11	12
Rental and hiring	-	-	-	-	-	-	55	58	61
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	621	1 485	-	-	852	852	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	300	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	300	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	300	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	621	1 185	-	-	852	852	-	-	-
Social benefits	621	-	-	-	852	852	-	-	-
Other transfers to households	-	1 185	-	-	-	-	-	-	-
Payments for capital assets	-	34	-	-	-	-	180	53	56
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	34	-	-	-	-	180	53	56
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	34	-	-	-	-	180	53	56
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	4	-	-	-	-	-	-
Total	9 792	7 181	12 730	6 005	6 173	6 147	6 545	6 830	7 321

Table 4.P : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 7: Environmental Affairs)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	13 120	10 743	6 927	6 149	6 149	6 149	3 740	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	13 120	10 743	6 927	6 149	6 149	6 149	3 740	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	13 120	10 743	6 927	6 149	6 149	6 149	3 740	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	13 120	10 743	6 927	6 149	6 149	6 149	3 740	-	-

Table 4.Q : Summary of transfers to local government

Audited Outcome				Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	5 417	4 000	4 500	-	1 500	1 500	3 000	3 150	3 323
Total: Ugu Municipalities	6 300	1 000	-	-	-	-	5 000	5 250	5 539
B KZN212 uMdoni	-	-	-	-	-	-	-	-	-
B KZN213 uMzombe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	6 300	1 000	-	-	-	-	3 000	3 150	3 323
C DC21 Ugu District Municipality	-	-	-	-	-	-	2 000	2 100	2 216
Total: uMgungundlovu Municipalities	100	-	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	100	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	1 943	-	3 000	-	-	-	3 000	3 150	3 323
B KZN235 Okhahlamba	1 793	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	150	-	3 000	-	-	-	3 000	3 150	3 323
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	1 000	-	-	-	-	-	-	-	-
B KZN241 eNdumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	1 000	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	795	1 000	-	-	-	-	-	-	-
B KZN252 Newcastle	300	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	495	1 000	-	-	-	-	-	-	-
Total: Zululand Municipalities	50	1 500	-	-	-	-	1 700	1 785	1 883
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	1 000	1 050	1 108
B KZN263 AbaQulusi	50	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	1 500	-	-	-	-	700	735	775
Total: uMkhanyakude Municipalities	200	-	-	500	31 650	31 650	6 200	6 510	6 869
B KZN271 uMhlabyalingana	200	-	-	-	1 250	1 250	1 200	1 260	1 329
B KZN272 Jozini	-	-	-	-	1 300	1 300	1 300	1 365	1 440
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	500	29 100	29 100	3 700	3 885	4 100
Total: King Cetshwayo Municipalities	100	1 000	2 500	-	3 600	3 600	975	1 024	1 080
B KZN281 uMfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	100	-	1 000	-	800	800	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	275	289	305
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	1 000	1 500	-	2 800	2 800	700	735	775
Total: iLembe Municipalities	600	-	-	-	-	-	-	-	-
B KZN291 Mandeni	600	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	500	1 000	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	500	1 000	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	17 005	9 500	10 000	500	36 750	36 750	19 875	20 869	22 017

Table 4.R : Financial summary for Dube TradePort Corporation (DTPC)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	419 845	534 600	464 618	535 326	593 196	593 196	595 847	618 375	661 566
Sale of goods and services other than capital assets	48 652	56 254	69 985	79 759	81 759	81 759	88 802	104 633	124 180
Entity revenue other than sales	42 317	47 608	43 796	39 750	39 750	39 750	38 350	35 474	32 813
Transfers received*	454 559	430 738	350 837	415 817	471 687	471 687	468 695	478 268	504 573
Of which:									
EDTEA	454 559	430 738	350 837	415 817	392 657	392 657	468 695	478 268	504 573
Roll-over	-	-	-	-	79 030	79 030	-	-	-
Sale of capital assets	(125 683)	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	419 845	534 600	464 618	535 326	593 196	593 196	595 847	618 375	661 566
Expenses									
Current expense	225 318	253 069	222 502	324 240	354 083	354 083	367 891	371 284	381 989
Compensation of employees	69 229	76 348	85 414	111 765	103 130	103 130	115 520	127 071	139 779
Goods and services	155 986	175 216	136 858	212 475	250 641	250 641	252 371	244 213	242 210
Interest on rent and land	103	1 505	230	-	312	312	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	159 931	128 932	118 262	119 457	158 144	158 144	163 826	140 168	152 761
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	385 249	382 001	340 764	443 697	512 227	512 227	531 717	511 452	534 750
Surplus / (Deficit)**	34 596	152 599	123 854	91 629	80 969	80 969	64 130	106 923	126 816
Adjustments for Surplus / (Deficit)	3 124	(123 970)	(44 824)	(91 629)	(80 969)	(80 969)	(64 130)	(106 923)	(126 816)
Of which:									
Additions to fixed assets	(153 745)	(351 760)	(278 182)	(211 086)	(239 113)	(239 113)	(212 166)	(247 091)	(279 577)
Depreciation	159 931	128 932	118 262	119 457	158 144	158 144	148 036	140 168	152 761
Other non-cash basis adjustments	(3 062)	98 858	115 096	-	-	-	-	-	-
Funds rolled over to the next financial year	(37 720)	(28 629)	(79 030)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: The prior year amounts reflected as Transfers received do not equal the amounts reflected in Table 4.8, as a portion of the transfers is reflected against other items in the financial position

**Note: The Surplus / (Deficit) relates to the accounting treatment of capital and other non-cash expense items

Table 4.S : Personnel summary for DTPC

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	2 065	2 322	1 972	4 000	4 000	4 000	4 200	4 410	4 631
Personnel numbers (head count)	5	5	5	6	6	6	6	6	6
Unit cost	413	464	394	667	667	667	700	735	772
Executive management									
Personnel cost (R thousand)	10 114	9 865	11 500	14 383	13 071	13 071	13 332	14 665	16 132
of which:									
Chief Financial Officer	1 666	1 789	1 882	2 138	2 117	2 117	2 327	2 559	2 815
Chief Executive Officer	2 557	894	2 210	2 547	2 521	2 521	2 770	3 047	3 352
Personnel numbers (head count)	6	6	6	7	6	6	6	6	6
Unit cost	1 686	1 644	1 917	2 055	2 179	2 179	2 222	2 444	2 689
Senior management									
Personnel cost (R thousand)	-	-	20 432	19 437	18 380	18 380	21 577	23 735	26 109
Personnel numbers (head count)	12	13	19	17	17	17	17	17	17
Unit cost	-	-	1 075	1 143	1 081	1 081	1 269	1 396	1 536
Middle management									
Personnel cost (R thousand)	-	-	21 052	36 120	30 423	30 423	33 142	36 456	40 101
Personnel numbers (head count)	33	37	32	47	37	37	37	37	37
Unit cost	-	-	658	769	822	822	896	985	1 084
Professionals									
Personnel cost (R thousand)	-	-	19 663	25 485	23 335	23 335	28 158	30 973	34 071
Personnel numbers (head count)	52	43	40	57	54	54	54	54	54
Unit cost	-	-	492	447	432	432	521	574	631
Semi-skilled									
Personnel cost (R thousand)	-	-	11 006	14 255	15 601	15 601	16 951	18 646	20 510
Personnel numbers (head count)	79	72	68	77	76	76	76	76	76
Unit cost	-	-	162	185	205	205	223	245	270
Very low skilled									
Personnel cost (R thousand)	-	-	1 761	2 085	2 320	2 320	2 360	2 596	2 856
Personnel numbers (head count)	19	10	21	15	14	14	14	14	14
Unit cost	-	-	84	139	166	166	169	185	204
Total for entity									
Personnel cost (R thousand)**	71 294	78 670	87 386	115 765	107 130	107 130	119 720	131 481	144 410
Personnel numbers (head count)	206	186	191	226	210	210	210	210	210
Unit cost	346	423	458	512	510	510	570	626	688

*Note: The detailed personnel summary for prior years is not available

**Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 4.T : Financial summary for Ezemvelo KZN Wildlife (EKZNW)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	1 220	1 163	1 154	1 597	1 597	1 209	1 582	1 689	1 782
Non-tax revenue	1 069 623	1 078 919	1 214 025	969 904	1 263 372	1 247 585	1 124 498	1 053 701	1 109 516
Sale of goods and services other than capital assets	232 937	229 710	243 843	247 950	248 436	236 120	250 421	268 518	286 630
Entity revenue other than sales	9 424	20 722	12 516	6 000	6 001	7 044	6 000	6 000	6 000
Transfers received	785 674	789 974	908 320	707 720	965 373	965 373	843 024	773 535	810 442
Of which:									
EDTEA*	657 895	653 966	572 882	660 480	653 380	653 380	688 068	718 502	758 020
EDTEA specific projects*	45 500	65 000	63 740	47 240	96 340	96 340	49 444	42 536	44 875
Roll-over: EDTEA	-	-	150 638	-	82 865	82 865	-	-	-
Agency receipts	5 121	5 094	2 848	-	2 969	2 969	-	-	-
Other	77 158	65 914	118 212	-	126 011	126 011	105 512	12 497	7 547
Roll-over: Other	-	-	-	-	3 808	3 808	-	-	-
Sale of capital assets	-	-	3 844	2 000	2 000	2 000	1 000	1 500	2 000
Financial transactions in assets and liabilities	41 588	38 513	45 502	6 234	41 562	37 048	24 053	4 148	4 444
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	1 070 843	1 080 082	1 215 179	971 501	1 264 969	1 248 794	1 126 080	1 055 390	1 111 298
Expenses									
Current expense	920 436	942 150	984 457	945 868	1 116 601	1 100 911	1 044 420	1 034 254	1 094 695
Compensation of employees	622 696	664 229	675 882	769 019	794 155	749 177	866 360	882 487	939 952
Goods and services	294 468	275 570	306 647	175 917	320 819	349 673	176 985	150 833	153 826
Interest on rent and land	3 272	2 351	1 928	932	1 627	2 061	1 075	934	917
Transfers and subsidies	4 777	5 120	5 346	4 180	4 973	5 266	5 631	6 063	6 523
Payments for capital assets	83 626	179 008	168 309	21 453	143 395	142 617	76 029	15 073	10 080
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	1 008 839	1 126 278	1 158 112	971 501	1 264 969	1 248 794	1 126 080	1 055 390	1 111 298
Surplus / (Deficit)**	62 004	(46 196)	57 067	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	(62 004)	46 196	(66 067)	-	-	-	-	-	-
Of which:									
Payments for capital assets	83 626	179 008	168 309	-	-	-	-	-	-
Depreciation	(65 120)	(33 443)	(48 147)	-	-	-	-	-	-
Changes in provisions to allow for accounting treatment	(80 510)	(99 369)	(186 229)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	(9 000)	-	-	-	-	-	-

*Note: Transfers received: EDTEA and EDTEA specific projects corresponds with the transfers reflected in Table 4.8

**Note: The Surplus / (Deficit) relates to the accounting treatment of capital and other non-cash expense items

Table 4.U : Personnel summary for EKZNW

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	4 528	4 249	4 464	2 183	3 078	6 407	5 032	5 334	5 654
Personnel numbers (head count)	12	12	12	12	12	12	12	12	12
Unit cost	377	354	372	182	257	534	419	445	471
Executive management									
Personnel cost (R thousand)	7 626	11 666	8 543	7 991	9 155	7 900	7 382	7 829	8 301
of which:									
Chief Financial Officer	1 241	1 347	1 498	1 510	1 464	1 452	1 553	1 648	1 747
Chief Executive Officer	1 646	3 388	2 202	2 287	2 225	982	-	-	-
Personnel numbers (head count)	6	6	6	6	6	5	5	5	5
Unit cost	1 271	1 944	1 424	1 332	1 526	1 580	1 476	1 566	1 660
Senior management									
Personnel cost (R thousand)	20 868	16 719	16 913	18 813	16 740	15 696	15 624	16 578	17 590
Personnel numbers (head count)	27	21	17	17	16	15	14	14	14
Unit cost	766	796	995	1 107	1 046	1 046	1 116	1 184	1 256
Middle management									
Personnel cost (R thousand)	81 220	97 915	105 326	111 868	119 694	117 245	125 024	133 733	142 996
Personnel numbers (head count)	163	161	164	160	171	169	166	166	166
Unit cost	498	608	642	699	700	694	753	806	861
Professionals									
Personnel cost (R thousand)	59 896	68 683	80 751	91 932	94 200	92 510	97 967	104 825	112 111
Personnel numbers (head count)	177	192	210	213	223	219	216	216	216
Unit cost	338	358	385	432	422	422	454	485	519
Semi-skilled									
Personnel cost (R thousand)	225 289	242 543	261 375	292 966	293 954	288 860	305 011	326 849	349 797
Personnel numbers (head count)	1 310	1 309	1 310	1 314	1 356	1 334	1 311	1 311	1 311
Unit cost	172	185	200	223	217	217	233	249	267
Very low skilled									
Personnel cost (R thousand)	85 117	91 725	99 801	122 774	99 803	97 408	102 776	110 193	117 935
Personnel numbers (head count)	624	658	713	715	604	592	581	581	581
Unit cost	136	139	140	172	165	165	177	190	203
Total for entity									
Personnel cost (R thousand)*	484 546	533 500	577 173	648 527	636 624	626 026	658 816	705 341	754 384
Personnel numbers (head count)	2 319	2 359	2 432	2 437	2 388	2 346	2 305	2 305	2 305
Unit cost	209	226	237	266	267	267	286	306	327

*Note: The difference between the Personnel cost and Compensation of employees relates to a provision for vacancies, as well as other personnel related payments, e.g. overtime, standby, etc.

Furthermore, Board costs are paid from Goods and Services

Table 4.V : Financial summary for Ithala Development Finance Corporation (Ithala)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	1 070 748	1 105 732	1 097 532	1 185 896	1 204 346	1 204 346	1 339 506	1 495 468	1 789 718
Sale of goods and services other than capital assets	283 378	419 161	353 796	465 094	434 657	434 657	450 323	555 928	793 621
Entity revenue other than sales	596 342	616 343	675 512	718 448	721 638	721 638	804 895	925 809	1 096 286
Transfers received*	245 600	145 393	153 902	72 434	153 378	153 378	214 580	161 973	73 462
Of which:									
EDTEA: Enterprise Development Fund	148 000	148 000	66 009	40 022	40 022	40 022	44 771	43 238	45 616
EDTEA: Projects	130 800	44 200	11 558	5 052	110 602	110 602	55 788	59 760	63 047
Applied / (Unapplied) capital grant	(44 280)	(59 000)	76 335	27 360	(8 569)	(8 569)	114 021	58 975	(35 201)
DARD	11 080	12 193	-	-	11 323	11 323	-	-	-
Sale of capital assets	-	(614)	858	-	86	86	-	-	-
Financial transactions in assets and liabilities	(54 572)	(74 551)	(86 536)	(70 080)	(105 413)	(105 413)	(130 292)	(148 242)	(173 651)
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	1 070 748	1 105 732	1 097 532	1 185 896	1 204 346	1 204 346	1 339 506	1 495 468	1 789 718
Expenses									
Current expense	818 627	867 351	930 742	965 524	946 053	946 053	1 098 095	1 276 366	1 523 323
Compensation of employees	382 266	376 034	400 605	404 584	400 095	400 095	430 193	487 378	579 601
Goods and services	246 514	277 213	291 267	289 319	284 923	284 923	367 382	407 056	451 947
Interest on rent and land	189 847	214 104	238 870	271 621	261 035	261 035	300 520	381 932	491 775
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	818 627	867 351	930 742	965 524	946 053	946 053	1 098 095	1 276 366	1 523 323
Surplus / (Deficit)**	252 121	238 381	166 790	220 372	258 293	258 293	241 411	219 102	266 395
Adjustments for Surplus / (Deficit)	(252 121)	(238 381)	(166 790)	(220 372)	(258 293)	(258 293)	(241 411)	(219 102)	(266 395)
Of which:									
Accumulated Reserves	(252 121)	(238 381)	(166 790)	(220 372)	(258 293)	(258 293)	(241 411)	(219 102)	(266 395)
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: Ithala only records funds received in its income statement once the value is realised, and/or in line with projected application of the grants received

**Note: The Surplus / Deficit relates to the accounting treatment of capital and other non-cash expense items

***Note: Ithala is the conduit for funds received from Vote 8: Human Settlements and this amount is hence not reflected

Table 4.W : Personnel summary for Ithala

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	8 593	6 611	9 246	9 801	9 801	9 801	10 487	11 221	12 006
Personnel numbers (head count)	19	20	18	20	20	20	20	20	21
Unit cost	452	331	514	490	490	490	524	561	572
Executive management									
Personnel cost (R thousand)	20 402	21 664	20 008	21 208	21 208	21 208	22 693	24 282	25 981
of which:									
Chief Financial Officer	2 131	1 834	1 957	2 074	2 074	2 074	2 220	2 375	2 541
Chief Executive Officer	2 801	3 161	3 554	3 767	3 767	3 767	4 031	4 313	4 615
Personnel numbers (head count)	10	11	9	9	9	9	9	9	9
Unit cost	2 040	1 969	2 223	2 356	2 356	2 356	2 521	2 698	2 887
Senior management									
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-	-	-
Middle management									
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-	-	-
Professionals									
Personnel cost (R thousand)	361 864	354 370	380 597	383 376	378 887	378 887	407 500	463 097	553 619
Personnel numbers (head count)	804	804	804	802	767	767	791	791	791
Unit cost	450	441	473	478	494	494	515	585	700
Semi-skilled									
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-	-	-
Very low skilled									
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-	-	-
Total for entity									
Personnel cost (R thousand)*	390 859	382 645	409 851	414 385	409 896	409 896	440 680	498 599	591 607
Personnel numbers (head count)	833	835	831	831	796	796	820	820	821
Unit cost	469	458	493	499	516	515	537	608	721

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs which are paid from Goods and services

Table 4.X : Financial summary for KwaZulu-Natal Liquor Authority (KZNLA)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	75 336	72 073	73 753	75 990	91 515	91 515	80 189	84 680	89 337
Sale of goods and services other than capital assets	-	-	-	-	-	-	-	-	-
Entity revenue other than sales	-	-	-	-	-	-	-	-	-
Transfers received*	75 282	72 008	73 753	75 990	91 515	91 515	80 189	84 680	89 337
Of which:									
EDTEA	75 282	72 008	73 753	75 990	77 990	77 990	80 189	84 680	89 337
Roll-over	-	-	-	-	13 525	13 525	-	-	-
Sale of capital assets	54	65	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	75 336	72 073	73 753	75 990	91 515	91 515	80 189	84 680	89 337
Expenses									
Current expense	61 898	63 551	74 262	75 990	82 934	82 934	80 189	84 680	89 337
Compensation of employees	33 822	41 381	44 820	44 748	44 748	44 748	51 784	55 923	60 350
Goods and services	28 076	22 170	29 442	31 242	38 186	38 186	28 405	28 757	28 987
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	346	346	-	-	-
Payments for financial assets	-	-	-	-	6 000	6 000	-	-	-
Total expenses	61 898	63 551	74 262	75 990	89 280	89 280	80 189	84 680	89 337
Surplus / (Deficit)	13 438	8 522	(509)	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	(13 438)	(8 522)	509	-	-	-	-	-	-
Of which:									
Provision for balance sheet items	(13 438)	(8 522)	509	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: Transfers received in 2014/15 and 2015/16 do not equal amounts in Table 4.8, due to timing differences in the transfer and the receipt of the funds

Table 4.Y : Personnel summary for KZNLA

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	243	2 286	1 271	1 825	1 825	1 825	1 470	1 551	1 636
Personnel numbers (head count)	12	12	10	10	10	10	10	10	10
Unit cost	20	191	127	183	183	183	147	155	164
Executive management									
Personnel cost (R thousand)	3 862	5 255	5 736	6 234	6 234	6 234	6 751	7 305	7 897
of which:									
Chief Financial Officer	901	965	1 062	1 140	1 140	1 140	1 235	1 336	1 444
Chief Executive Officer	257	1 415	1 531	1 672	1 672	1 672	1 811	1 960	2 119
Personnel numbers (head count)	5	5	5	5	5	5	5	5	5
Unit cost	772	1 051	1 147	1 247	1 247	1 247	1 350	1 461	1 579
Senior management									
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-	-	-
Middle management									
Personnel cost (R thousand)	5 419	6 528	7 434	7 722	7 722	7 722	8 363	9 049	9 782
Personnel numbers (head count)	10	10	11	11	11	11	11	11	11
Unit cost	542	653	676	702	702	702	760	823	889
Professionals									
Personnel cost (R thousand)	9 443	9 859	11 280	13 045	13 045	13 045	14 128	15 286	16 524
Personnel numbers (head count)	24	24	23	23	23	23	23	23	23
Unit cost	393	411	490	567	567	567	614	665	718
Semi-skilled									
Personnel cost (R thousand)	14 363	18 912	20 370	16 192	16 192	16 192	20 857	22 460	24 177
Personnel numbers (head count)	52	50	52	52	52	52	52	52	52
Unit cost	276	378	392	311	311	311	401	432	465
Very low skilled									
Personnel cost (R thousand)	735	827	-	1 555	1 555	1 555	1 685	1 823	1 970
Personnel numbers (head count)	3	6	-	10	10	10	10	10	10
Unit cost	245	138	-	156	156	156	169	182	197
Total for entity									
Personnel cost (R thousand)*	34 065	43 667	46 091	46 573	46 573	46 573	53 254	57 474	61 986
Personnel numbers (head count)	106	107	101	111	111	111	111	111	111
Unit cost	321	408	456	420	420	420	480	518	558

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 4.Z : Financial summary for KwaZulu-Natal Tourism Authority (TKZN)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	124 412	108 864	109 851	120 177	120 177	120 177	127 373	134 487	141 867
Sale of goods and services other than capital assets	-	-	-	53	53	53	55	58	61
Entity revenue other than sales	1 841	297	965	250	250	250	262	276	290
Transfers received*	122 571	108 567	108 886	119 874	119 874	119 874	127 056	134 153	141 516
Of which:									
EDTEA	98 999	101 512	101 864	116 980	116 980	116 980	124 017	130 962	138 165
Project income	23 572	4 784	4 278	-	-	-	-	-	-
eThekweni Municipality (Convention Bureau)	-	2 271	2 744	2 894	2 894	2 894	3 039	3 191	3 351
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue before deposits into the PRF	124 412	108 864	109 851	120 177	120 177	120 177	127 373	134 487	141 867
Expenses									
Current expense	123 325	104 779	108 869	118 729	118 729	118 729	125 658	132 755	140 118
Compensation of employees	34 626	37 477	39 572	48 956	48 956	48 956	51 976	53 974	56 676
Goods and services	88 698	67 301	69 202	69 773	69 773	69 773	73 682	78 781	83 442
Interest on rent and land	1	1	95	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 087	4 085	982	1 448	1 448	1 448	1 715	1 732	1 749
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	124 412	108 864	109 851	120 177	120 177	120 177	127 373	134 487	141 867
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	-	-	-	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: The amounts reflected as Transfers received in the prior years do not equal the amounts reflected in Table 4.8, as a portion of the transfers is reflected against other items in the financial position

Table 4.AA : Personnel summary for TKZN

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	1 580	1 605	1 577	1 848	1 848	1 848	1 941	2 038	2 150
Personnel numbers (head count)	10	10	10	9	9	9	9	9	9
Unit cost	158	161	158	205	205	205	216	226	239
Executive management									
Personnel cost (R thousand)	4 525	5 416	5 785	4 799	4 799	4 799	5 039	5 291	5 582
of which:									
Chief Financial Officer	2 518	1 255	1 225	2 849	2 849	2 849	2 991	3 141	3 313
Chief Executive Officer	2 007	2 015	1 770	1 950	1 950	1 950	2 048	2 150	2 268
Personnel numbers (head count)	3	4	4	3	3	3	3	3	3
Unit cost	1 508	1 354	1 446	1 600	1 600	1 600	1 680	1 764	1 861
Senior management									
Personnel cost (R thousand)	4 313	2 764	2 939	6 160	6 160	6 160	6 468	6 792	7 165
Personnel numbers (head count)	6	4	3	5	5	5	7	7	7
Unit cost	719	691	980	1 232	1 232	1 232	924	970	1 024
Middle management									
Personnel cost (R thousand)	10 351	10 467	10 910	14 033	14 033	14 033	12 816	13 457	14 200
Personnel numbers (head count)	10	11	10	14	14	14	14	14	15
Unit cost	1 035	952	1 091	1 002	1 002	1 002	915	961	947
Professionals									
Personnel cost (R thousand)	14 027	17 278	18 445	21 223	21 223	21 223	26 515	27 240	28 469
Personnel numbers (head count)	37	38	38	40	40	40	40	40	42
Unit cost	379	455	485	531	531	531	663	681	678
Semi-skilled									
Personnel cost (R thousand)	887	1 056	1 153	2 447	2 447	2 447	829	870	918
Personnel numbers (head count)	4	4	4	4	4	4	4	4	4
Unit cost	222	264	288	612	612	612	207	218	230
Very low skilled									
Personnel cost (R thousand)	523	496	340	294	294	294	309	324	342
Personnel numbers (head count)	2	2	2	2	2	2	2	2	2
Unit cost	262	248	170	147	147	147	154	162	171
Total for entity									
Personnel cost (R thousand)*	36 206	39 082	41 149	50 804	50 804	50 804	53 917	56 012	58 826
Personnel numbers (head count)	72	73	71	77	77	77	79	79	82
Unit cost	503	535	580	660	660	660	682	709	717

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 4.BB : Financial summary for KZN Sharks Board (KZNSB)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	88 121	94 225	106 164	98 405	127 929	127 929	105 760	108 784	114 767
Sale of goods and services other than capital assets	29 461	29 350	32 251	31 686	31 959	31 959	33 186	34 574	36 476
Entity revenue other than sales	1 551	1 697	1 738	640	1 040	1 040	677	716	755
Transfers received	57 109	63 178	72 175	66 079	94 930	94 930	71 897	73 494	77 536
Of which:									
EDTEA	57 109	63 178	72 175	66 079	66 479	66 479	71 897	73 494	77 536
Roll-over	-	-	-	-	28 451	28 451	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	88 121	94 225	106 164	98 405	127 929	127 929	105 760	108 784	114 767
Expenses									
Current expense	85 611	85 854	88 839	94 087	111 346	111 346	103 079	106 327	111 712
Compensation of employees	54 822	55 958	55 213	62 678	54 546	54 546	67 692	74 927	76 125
Goods and services	30 789	29 896	33 626	31 409	56 800	56 800	35 387	31 400	35 587
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	5 191	9 711	13 788	4 318	16 583	16 583	2 681	2 457	3 055
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	90 802	95 565	102 627	98 405	127 929	127 929	105 760	108 784	114 767
Surplus / (Deficit)*	(2 681)	(1 340)	3 537	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	2 681	1 340	(3 537)	-	-	-	-	-	-
Of which:									
Accumulated reserves	2 681	1 340	(3 537)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: The Surplus / (Deficit) relates to the accounting treatment of capital and other non-cash expense items

Table 4.CC : Personnel summary for KZNSB

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	874	2 307	3 471	3 805	3 805	3 805	4 060	4 328	4 490
Personnel numbers (head count)	10	11	11	11	11	11	11	11	11
Unit cost	87	210	316	346	346	346	369	393	408
Executive management									
Personnel cost (R thousand)	8 040	7 771	8 028	11 115	7 532	7 532	11 859	12 642	13 264
of which:									
Chief Financial Officer	1 377	1 419	1 379	1 482	1 482	1 482	1 582	1 686	1 796
Chief Executive Officer	2 422	2 458	2 612	2 807	2 845	2 845	2 995	3 193	3 401
Personnel numbers (head count)	6	5	5	5	4	4	6	6	6
Unit cost	1 340	1 554	1 606	2 223	1 883	1 883	1 977	2 107	2 211
Senior management									
Personnel cost (R thousand)	4 223	2 090	2 677	2 877	2 433	2 433	3 071	3 273	3 486
Personnel numbers (head count)	4	3	3	3	2	2	3	3	3
Unit cost	1 056	697	892	959	1 217	1 217	1 024	1 091	1 162
Middle management									
Personnel cost (R thousand)	7 029	7 346	3 750	8 561	5 551	5 551	7 644	9 171	9 367
Personnel numbers (head count)	12	8	6	13	7	7	13	13	13
Unit cost	586	918	625	659	793	793	588	705	721
Professionals									
Personnel cost (R thousand)	15 026	15 516	17 812	18 536	17 223	17 223	19 454	21 834	21 885
Personnel numbers (head count)	50	40	36	48	39	39	48	48	48
Unit cost	301	388	495	386	442	442	405	455	456
Semi-skilled									
Personnel cost (R thousand)	7 143	8 014	8 458	8 195	7 378	7 378	10 363	11 363	11 434
Personnel numbers (head count)	41	40	33	35	36	36	35	35	35
Unit cost	174	200	256	234	205	205	296	325	327
Very low skilled									
Personnel cost (R thousand)	13 361	15 221	14 488	13 394	14 429	14 429	15 301	16 644	16 689
Personnel numbers (head count)	105	94	79	84	85	85	84	84	84
Unit cost	127	162	183	159	170	170	182	198	199
Total for entity									
Personnel cost (R thousand)*	55 696	58 265	58 684	66 483	58 351	58 351	71 752	79 255	80 615
Personnel numbers (head count)	228	201	173	199	184	184	200	200	200
Unit cost	244	290	339	334	317	317	359	396	403

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 4. DD : Financial summary for Richards Bay Industrial Development Zone (RBIDZ)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	253 881	527 905	229 929	475 217	630 665	630 665	553 149	161 681	170 573
Sale of goods and services other than capital assets	164	433	200	110	783	783	121	160	168
Entity revenue other than sales	10 462	16 466	15 359	6 233	18 083	18 083	23 656	24 737	26 098
Transfers received	243 255	511 006	214 370	468 874	611 799	611 799	529 372	136 784	144 307
Of which:									
EDTEA	68 170	198 947	126 370	127 605	132 605	132 605	129 530	136 784	144 307
Land acquisition: PT	-	-	88 000	-	-	-	-	-	-
DTI	175 085	312 059	-	77 350	77 310	77 310	-	-	-
Roll-over	-	-	-	263 919	401 884	401 884	399 842	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	253 881	527 905	229 929	475 217	630 665	630 665	553 149	161 681	170 573
Expenses									
Current expense	50 746	53 173	84 764	101 235	98 762	98 762	124 814	136 760	144 282
Compensation of employees	24 170	22 945	31 978	49 527	32 193	32 193	53 311	60 666	64 003
Goods and services	26 576	30 228	52 786	51 708	66 569	66 569	71 503	76 094	80 279
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	176 257	42 782	4 100	230 700	106 282	106 282	412 428	8 123	8 569
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	227 003	95 955	88 864	331 935	205 044	205 044	537 242	144 883	152 851
Surplus / (Deficit)*	26 878	431 950	141 065	143 282	425 621	425 621	15 907	16 798	17 722
Adjustments for Surplus / (Deficit)	(26 878)	(431 950)	(141 065)	(143 282)	(425 621)	(425 621)	(15 907)	(16 798)	(17 722)
Of which:									
Development of Phase 1F	-	-	-	(118 112)	(124 744)	(124 744)	-	-	-
Purchase of Phase 1D	-	-	-	-	(275 098)	(275 098)	-	-	-
Adjustment for funds accrued (Deferred)	(26 878)	(431 950)	(141 065)	(25 170)	(25 779)	(25 779)	(15 907)	(16 798)	(17 722)
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: The Surplus / (Deficit) relates to the accounting treatment of capital and other non-cash expense items

Table 4. EE : Personnel summary for RBIDZ

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	1 972	1 609	3 560	3 916	2 802	2 802	4 308	4 738	4 999
Personnel numbers (head count)	11	11	10	11	10	10	11	11	12
Unit cost	179	146	356	356	280	280	392	431	417
Executive management									
Personnel cost (R thousand)	9 646	7 899	10 083	12 588	8 965	8 965	14 375	15 525	16 379
of which:									
Chief Financial Officer	2 732	954	1 425	1 959	1 959	1 959	2 154	2 326	2 454
Chief Executive Officer	1 401	2 484	2 683	3 636	3 636	3 636	4 314	4 659	4 915
Personnel numbers (head count)	6	6	6	6	4	4	6	6	6
Unit cost	1 608	1 317	1 681	2 098	2 241	2 241	2 396	2 588	2 730
Senior management									
Personnel cost (R thousand)	10 100	11 394	15 466	10 245	5 798	5 798	11 481	12 629	13 324
Personnel numbers (head count)	11	12	8	7	5	5	9	9	9
Unit cost	918	950	1 933	1 464	1 160	1 160	1 276	1 403	1 480
Middle management									
Personnel cost (R thousand)	-	-	3 785	14 431	8 465	8 465	13 988	15 117	15 948
Personnel numbers (head count)	-	-	5	13	9	9	13	13	14
Unit cost	-	-	757	1 110	941	941	1 076	1 163	1 139
Professionals									
Personnel cost (R thousand)	3 141	2 551	1 455	10 040	5 729	5 729	11 044	14 675	15 482
Personnel numbers (head count)	7	5	5	20	18	18	20	20	21
Unit cost	449	510	291	502	318	318	552	734	737
Semi-skilled									
Personnel cost (R thousand)	1 283	1 101	1 189	2 223	2 290	2 290	2 423	2 720	2 870
Personnel numbers (head count)	10	5	5	13	6	6	13	13	14
Unit cost	128	220	238	171	382	382	186	209	205
Very low skilled									
Personnel cost (R thousand)	-	-	-	-	946	946	-	-	-
Personnel numbers (head count)	-	-	-	-	14	14	-	-	-
Unit cost	-	-	-	-	68	68	-	-	-
Total for entity									
Personnel cost (R thousand)*	26 142	24 554	35 538	53 443	34 995	34 995	57 619	65 404	69 002
Personnel numbers (head count)	45	39	39	70	66	66	72	72	76
Unit cost	581	630	911	763	530	530	800	908	908

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 4. FF : Financial summary for Trade and Investment KZN (TIK)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	81 555	96 864	86 458	81 193	108 082	108 082	87 131	91 005	96 069
Sale of goods and services other than capital assets	14	442	166	183	183	183	201	221	243
Entity revenue other than sales	65	221	814	895	895	895	985	1 083	1 191
Transfers received	81 476	96 195	85 468	80 105	106 994	106 994	85 935	89 691	94 624
Of which:									
EDTEA	81 476	96 195	85 468	80 105	85 305	85 305	85 935	89 691	94 624
DTI	-	-	-	-	8 000	8 000	-	-	-
Roll-over	-	-	-	-	13 689	13 689	-	-	-
Sale of capital assets	-	6	10	10	10	10	10	10	11
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	81 555	96 864	86 458	81 193	108 082	108 082	87 131	91 005	96 069
Expenses									
Current expense	81 062	96 497	67 569	80 313	107 202	107 202	86 199	90 009	95 008
Compensation of employees	32 728	34 995	38 086	41 658	40 844	40 844	44 183	47 850	51 483
Goods and services	48 260	61 502	29 483	38 655	66 358	66 358	42 016	42 159	43 525
Interest on rent and land	74	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	493	367	-	880	880	880	932	996	1 061
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	81 555	96 864	67 569	81 193	108 082	108 082	87 131	91 005	96 069
Surplus / (Deficit)	-	-	18 889	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	-	-	(18 889)	-	-	-	-	-	-
Of which:									
Roll-over	-	-	(18 889)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

Table 4. GG : Personnel summary for TIK

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	1 641	1 858	1 773	1 931	1 931	1 931	2 047	2 217	2 382
Personnel numbers (head count)	11	11	11	11	12	12	12	12	12
Unit cost	149	169	161	176	161	161	171	185	199
Executive management									
Personnel cost (R thousand)	9 195	9 840	11 645	13 479	13 479	13 479	14 280	15 315	17 158
of which									
Chief Financial Officer	1 468	1 555	1 661	1 774	1 774	1 774	1 894	2 023	2 134
Chief Executive Officer	2 412	2 638	2 817	3 009	3 009	3 009	3 214	3 432	3 621
Personnel numbers (head count)	7	7	7	7	6	6	7	7	7
Unit cost	1 314	1 406	1 664	1 926	2 247	2 247	2 040	2 188	2 451
Senior management									
Personnel cost (R thousand)	2 742	3 055	3 127	3 340	3 340	3 340	3 567	3 810	4 020
Personnel numbers (head count)	2	2	2	2	2	2	2	2	2
Unit cost	1 371	1 527	1 564	1 670	1 670	1 670	1 784	1 905	2 010
Middle management									
Personnel cost (R thousand)	10 428	11 032	11 494	12 216	11 402	11 402	12 853	14 326	15 114
Personnel numbers (head count)	15	15	15	15	14	14	15	15	16
Unit cost	695	735	766	814	814	814	857	955	945
Professionals									
Personnel cost (R thousand)	1 902	2 031	2 169	2 316	2 316	2 316	2 474	2 642	2 787
Personnel numbers (head count)	3	3	3	3	3	3	3	3	3
Unit cost	634	677	723	772	772	772	825	881	929
Semi-skilled									
Personnel cost (R thousand)	8 200	8 758	9 353	9 989	9 989	9 989	10 669	11 394	12 021
Personnel numbers (head count)	20	20	20	20	19	19	20	20	21
Unit cost	410	438	468	499	526	526	533	570	572
Very low skilled									
Personnel cost (R thousand)	261	279	298	318	318	318	340	363	383
Personnel numbers (head count)	2	2	2	2	2	2	2	2	2
Unit cost	131	140	149	159	159	159	170	182	192
Total for entity									
Personnel cost (R thousand)*	34 369	36 853	39 859	43 589	42 775	42 775	46 230	50 067	53 865
Personnel numbers (head count)	60	60	60	60	58	58	61	61	63
Unit cost	573	614	664	726	737	737	758	821	855

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

Table 4. HH : Financial summary for KwaZulu-Natal Film Commission (KZNFC)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	58 787	81 505	94 414	71 843	104 284	104 284	76 267	80 538	84 968
Sale of goods and services other than capital assets	-	-	-	-	-	-	-	-	-
Entity revenue other than sales	228	1 397	1 673	-	-	-	-	-	-
Transfers received*	58 559	80 108	92 136	71 843	104 284	104 284	76 267	80 538	84 968
Of which:									
EDTEA	58 559	63 178	68 211	71 843	78 843	78 843	76 267	80 538	84 968
Roll-over	-	16 930	20 364	-	20 441	20 441	-	-	-
Film Production Programme	-	-	3 561	-	5 000	5 000	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	605	-	-	-	-	-	-
Total revenue	58 787	81 505	94 414	71 843	104 284	104 284	76 267	80 538	84 968
Expenses									
Current expense	41 979	65 694	72 786	71 693	102 073	102 073	76 267	80 538	84 968
Compensation of employees	6 414	16 943	19 739	20 934	18 775	18 775	24 665	26 293	27 798
Goods and services	35 565	48 751	53 047	50 759	83 298	83 298	51 602	54 245	57 170
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	361	1 187	150	2 211	2 211	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	41 979	66 055	73 973	71 843	104 284	104 284	76 267	80 538	84 968
Surplus / (Deficit)	16 808	15 450	20 441	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	(16 930)	(19 011)	(25 441)	-	-	-	-	-	-
Of which:									
Funds rolled over	(16 930)	(20 364)	(20 441)	-	-	-	-	-	-
Trade and other payables	-	1 353	(5 000)	-	-	-	-	-	-
Deferred income	122	3 561	5 000	-	-	-	-	-	-
Surplus/(Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: The amounts reflected as Transfers received in the prior years do not equal the amounts reflected in Table 4.8, due to timing differences

Table 4. II : Personnel summary for KZNFC

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	987	944	1 009	1 422	1 544	1 544	1 684	1 795	1 912
Personnel numbers (head count)	10	9	9	9	6	6	9	9	9
Unit cost	99	105	112	158	257	257	187	199	212
Executive management									
Personnel cost (R thousand)	3 919	4 347	4 715	5 036	5 036	5 036	5 374	5 729	6 001
of which:									
Chief Financial Officer	1 134	1 313	1 418	1 515	1 515	1 515	1 617	1 724	1 836
Chief Executive Officer	1 644	1 738	1 878	2 006	2 006	2 006	2 140	2 281	2 329
Personnel numbers (head count)	3	3	3	3	3	3	3	3	3
Unit cost	1 306	1 449	1 572	1 679	1 679	1 679	1 791	1 910	2 000
Senior management									
Personnel cost (R thousand)	1 022	5 704	5 972	6 231	5 478	5 478	8 389	8 943	9 421
Personnel numbers (head count)	5	6	6	6	6	6	8	8	8
Unit cost	204	951	995	1 039	913	913	1 049	1 118	1 178
Middle management									
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-	-	-
Professionals									
Personnel cost (R thousand)	703	4 416	5 206	5 560	3 754	3 754	5 933	6 325	6 736
Personnel numbers (head count)	6	9	9	9	5	5	9	9	9
Unit cost	117	491	578	618	751	751	659	703	748
Semi-skilled									
Personnel cost (R thousand)	770	2 476	3 846	4 107	4 507	4 507	4 969	5 296	5 640
Personnel numbers (head count)	10	12	13	13	11	11	15	15	15
Unit cost	77	206	296	316	410	410	331	353	376
Very low skilled									
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-	-	-
Total for entity									
Personnel cost (R thousand)*	7 401	17 887	20 748	22 356	20 319	20 319	26 349	28 088	29 710
Personnel numbers (head count)	34	39	40	40	31	31	44	44	44
Unit cost	218	459	519	559	655	655	599	638	675

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services

VOTE 5

Education

Operational budget	R50 901 704 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R50 903 682 000
Responsible MEC	MEC for Education
Administering department	Education
Accounting officer	Head: Education

1. Overview

Vision

The vision of the Department of Education (DOE) is: *A well-educated, skilled and highly developed citizenry.*

Mission statement

The department's mission is: *To provide equitable access to quality education for the people of KZN.*

Strategic goals

Strategic policy directions: These are directly linked to the 14 national outcomes, which also inform the department's strategic goals and objectives, as listed below:

- Quality basic education.
- Skilled and capable workforce to support an inclusive growth path.

In line with the new strategic plan, the strategic goals have decreased to four and encapsulate the department's contribution toward the achievement of national and provincial goals, and all other international mandates within the context of MTSF 2014-2019 for the current electoral cycle, and national and provincial action plans. Hereunder are the strategic goals:

- Strengthen and sustain good corporate governance to promote an efficient and effective administration.
- Develop human capacity and achieve excellent levels of performance.
- Broaden access and develop offices and schools into centres of excellence and improve learner performance in all grades.
- Develop schools into centres of community focus, care and support in promoting national identity and social cohesion.

Core functions

The core functions of the department are summarised below:

Public Ordinary Schools

This is the department's primary function aimed at the provision of quality education and learning in schools, the development of educators to ensure that they are equipped to provide the best quality teaching and the provision of Learner Teacher Support Materials (LTSM). Also included in this programme is the provision of support to learners on the curriculum, as well as teacher training programmes.

Lastly, the function includes the provision of food to Public Ordinary School learners from the poorest communities, through the National School Nutrition Programme (NSNP). Other conditional grants that are

aimed at uplifting the quality of education are also in this programme and these include, but are not limited to, the Maths, Science and Technology (MST) grant.

Public Special School Education

The aim of this programme is to provide public education in special schools and full-service schools.

Early Childhood Development (ECD)

The aim of this programme is to strengthen pre-Grade R education, and to make it available to the majority of the citizens.

Infrastructure Development

The aim of this programme is to provide new schools and upgrades and additions to existing schools, including sports fields, specialists rooms. It also has focussed interventions to provide sanitation, electricity and maintenance to all schools.

Legislative mandates

The following pieces of legislation, among others, govern the operations of the department:

- The Constitution of the Republic of South Africa, No. 108 of 1996
- Public Service Act, No. 103 of 1994
- National Education Policy Act, No. 27 of 1996
- South African Schools Act (SASA), No. 84 of 1996
- Employment of Educators Act, No. 76 of 1998
- South African Council for Educators (SACE) Act, No. 31 of 2000
- South African Qualifications Authority Act, No. 58 of 1995
- National Policy on HIV and AIDS for Learners and Educators in Public Schools and Students and Educators in FET Institutions, 1999
- Education White Paper 5 on Early Childhood Development, 2000
- Education White Paper 6 on Inclusive Education, 2001
- Curriculum and Assessment Policy Statement
- Labour Relations Act, No. 66 of 1995
- Employment Equity Act, No. 55 of 1998
- Public Finance Management Act, No. 1 of 1999, as amended and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act, No. 5 of 2000
- Promotion of Access to Information Act, No. 2 of 2000
- Annual Division of Revenue Act

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments. The budget for the year was shaped by seven pillars that formed the basis for the allocation of funds, which are discussed hereunder.

The largest share of the department's budget allocation is for the provision of personnel. It is noted that the department received an additional allocation from the provincial fiscus towards the department's spending pressures. This was utilised to offset pressures against *Compensation of employees* and *Goods and services*.

Budget pressures

In 2017/18, the *Compensation of employees*’ budget constituted 84 per cent of the department’s adjusted budget. The adjusted budget was inclusive of the conditional grant allocation (NSNP, Social Sector EPWP Incentive Grant for Provinces, EPWP Integrated Grant for Provinces, etc.) which is specifically and exclusively appropriated, and thus cannot be used for other purposes. When the conditional grant allocation is excluded, *Compensation of employees* makes up 90.3 per cent of the department’s equitable share funded budget, thus leaving only 9.7 per cent to fund transfers to schools, inventory learner teacher support material (LTSM) for schools, provide for the operational requirements of the department, contribute to the infrastructure budget for the department through the equitable share, as well as providing for system improvements in the provision of teaching and learning. The department thus had to implement aggressive cost-cutting measures to offset in-year budget pressures of R728.328 million.

Curriculum management and delivery

Curriculum and Assessment Policy Statements (CAPS): The 2017 Grade 12 class was the fourth group to write the CAPS aligned examinations. The 2017 results indicated an improvement of 5.8 per cent compared to the previous year, but fell short of the 70 per cent target the department had set itself. The department therefore reviewed the academic improvement plan which was developed in 2016 as a three-year plan. The plan focused on basic school functionality, curriculum delivery and learner attainment, teacher development and reading promotion. This included a focussed learner support programme for schools that performed below 30 per cent which took place in the April holidays. The plan included teacher training in content and methodology but, due to financial constraints, the teacher training aspect could not be done. LTSM were developed and distributed to all schools in June 2017. The learner support programmes included support for “high flyers”. This programme resulted in KZN producing the highest number of bachelor passes in the 2017 National Senior Certificate (NSC) result. Both KZN and Gauteng had the most number of bachelor passes at 80.2 per cent, which is an increase of 3.5 per cent from 2016. Together, both provinces make up just over 70 per cent of diploma passes, an increase of 4.1 per cent from 2016.

Furthermore, learner support programmes were conducted during weekends and holidays, especially the July and September holidays. A comprehensive radio broadcast revision programme was conducted through Ukhozi FM and all community radio stations.

A total of 124 317 candidates, which included 5 356 progressed learners, sat for the 2017 NSC examinations in October/November 2017 in KZN. In 2017, all the large gateway subjects improved except for Business Studies and Agricultural Sciences. Mathematics Literacy improved from 60.28 per cent in 2016 to 67.71 per cent in 2017, Physical Sciences improved from 57.76 per cent in 2016 to 65.11 per cent in 2017, and Mathematics improved from 37.91 per cent in 2016 to 41.59 per cent in 2017. The province performed well, obtaining 90 per cent and above in other subjects, such as Agricultural Technology, Agricultural Management Practices, Consumer Studies, Civil Technology, Dramatic Arts, Electrical Technology, Engineering Graphics and Design, Hospitality Studies, Mechanical Technology, Tourism, Visual Arts, etc.

Technical secondary schools: Thirty two technical schools to date are fully equipped to support technical subjects. Training of 336 teachers in technical subjects was undertaken to offer technical subjects at these schools. To date, 20 schools are offering maritime study subjects.

The transformation of the schooling system

The construction of the La Mercy Maths and Science Academy was not completed in-year and is expected to be completed in 2018/19. The Ndumo School of Excellence (now known as Mandla Mthethwa School of Excellence) reached practical completion in November 2017 and admitted the first group of learners in the 2018 academic year. The planning for the maritime schools is still continuing and the implementation of projects has been delayed due to limited infrastructure funding.

Early childhood development

The department reached and exceeded the target set out in White Paper 5 of 2 000, as 93 per cent of 5-year olds were in Grade R classes by 2014. However, the challenge remains to improve the quality of education offered. In the pre-Grade R sub-programme, preparations for the training of 1 014 practitioners are in

progress. Stipends were paid to 1 124 practitioners in community centres, with the provision of core material, such as board games and charts, being the mandate of the DSD. ECD comprises 4 008 schools with Grade R classes and approximately 50 subsidised community-based centres servicing some 198 587 learners. ECD has seen 98 per cent of Grade 1 learners receive formal Grade R education. Where required, Grade R classes were provided with furniture.

ECD infrastructure: In 2017/18, the department constructed and completed various Grade R appropriate facilities in schools such as Gonzaga primary school in King Cetshwayo district, Mjayeli primary school in uThukela, Bangumuzi primary school in uMzinyathi, among others.

Teacher provision, development and support

Teacher supply: The pool of educators in relation to the Post Provisioning Norm (PPN) was capped at 90 057 and was fully funded. This was to ensure that there would be an educator in the classroom at any given time. The learner teacher ratio is currently at 1:30. The attraction of qualified skilled educators into the system is being addressed by the Funza Lushaka bursary campaign through which qualified educators enter the system annually. There is still a challenge, particularly in subjects like Mathematics and Science. The department has engaged the Department of Higher Education and Training (DHET) on developing programmes that will facilitate implementation of the Three Streams Model and those designed to help FET educators who are artisans to fit into main stream schools.

Teacher development and support: In order to curb the prevalence of unprofessional conduct in schools, 6 178 principals were capacitated on co-operative discipline, the SACE Code of Professional Ethics and employee disciplinary measures in the July school holidays. At the district teacher development centres, 506 Grade 7 - 12 teachers participated in English First Additional Language (EFAL) diagnostic self-assessments and 714 Grade 8 - 12 teachers participated in Mathematics. These tests are meant to ensure that capacity building programmes are needs-based and data driven.

Provision of classroom support resources and equipment

Norms and standards: The department provides norms and standards for public ordinary schools. In KZN, schools are categorised into two funding categories, namely no-fee schools and fee paying schools. The no-fee schools were funded at R955 per learner in 2017/18, while the recommended national funding norm is R1 243 per learner, which is the no-fee threshold. This applies to schools ranked in quintiles 1 – 3 in respect of the poverty ranking. The fee paying schools in quintiles 4 and 5 are funded at R522 and R179 per learner, compared to the recommended national norm of R623 and R215, respectively. In order for the department to meet this national standard, an additional budget allocation of R752.898 million is required.

Learner Teacher Support Material: The provision and availability of LTSM on the first day of school in all schools is one of the contributory factors to the provision of quality education. The 2017/18 distribution of LTSM for all schools which procure through the department was completed in November 2017. The textbooks purchased were ready for delivery to schools in the first week of the 2018 school year. Textbook coverage is still a challenge for some grades with average textbook coverage measured at 97 per cent.

Tools of trade for administration purposes: The department purchased computers and vehicles for various district offices. This covered shortages in this regard to some extent, but there are still backlogs in provision of office furniture and equipment (desktops and laptops).

National School Nutrition Programme: All learners in quintiles 1 - 3 including some quintile 4 and 5 schools are provided a meal through the NSNP grant. The NSNP seeks to alleviate short-term hunger at school, improve learner attendance and participation in class, reduce learner absenteeism rate and provide support to learners from child-headed households. The NSNP programme provided nutritious meals to 2 304 498 learners in 5 729 schools throughout the province. Learners were served with a standardised menu which comprises a balanced cooked protein dish, a starch and a fresh vegetable to each learner. The department expanded the programme to 50 more schools totalling 36 250 learners. The department used 173 co-operatives and 1 645 SMMEs in the provision of meals. The programme thus creates jobs for 12 366 food handlers who are parents in participating schools and received a stipend of R1 089 per month.

Infrastructure development and maintenance

School infrastructure: The employment of additional technical staff as part of the IDMS went a long way in addressing the challenges of problematic projects, long completion times, quality of completed work and the escalating costs of projects. During 2017/18, the department appointed Chief Electrical Engineers, Quantity Surveyors, Chief Architects and Building Works Inspectors in various districts. The department was allocated funds for the improvement of water and sanitation in schools and this was successfully rolled out in schools such as Gcinimfundo secondary, Qalimfundo secondary, Senzokuhle primary in iLembe, among others.

The department was affected by recent storms that affected the province during the months of September and October 2017 and received additional funds for repairing the damage. This related to a wind storm that damaged 324 schools on 17 September 2017 and flood damage that damaged 170 schools on 10 October 2017.

Repairs and renovation: The department completed repairs and renovations for six schools, including Buhlebezwe primary school in the Ugu district, Mafahleni high school in the uMgungundlovu district, among others.

New infrastructure assets: As part of ensuring that a conducive environment is created for teaching and learning, the department completed and procured furniture for new schools, such as Mandla Mthethwa Model high school in uMkhanyakude, Ulundi unit D primary school and Mona primary school in Zululand. Other schools which were completed include, Indaleni secondary in uMgungundlovu, Ebuhlenibenkosi intermediate school in Zululand, and Westmead secondary school in Pinetown.

Special schools infrastructure: The department continued to focus on the provision of special schools' infrastructure in order to grant access to education for learners with special needs. This included projects such as the construction of new schools, as well as boarding facilities, namely Pholela special school in the Harry Gwala District Municipality, Ukukhanya KoMsinga in the uMzinyathi District Municipality and Vuleka in the King Cetshwayo District Municipality.

Information and communication technology (ICT)

The department completed the development of an E-learning portal which is a repository of data, information, teaching and learning content that can be accessed by both teachers and learners over the internet and/or a network (local or wide area). Through Operation Phakisa, the department developed a mobile App for learners and school-based officials, which will facilitate communication between the department and school-based officials.

Through a Microsoft schools agreement, the department distributed Microsoft media kits to at least 3 136 public schools across KZN. These include storage devices (flash drives, DVD Roms, external hard drives, etc.) that contain Microsoft software (operating systems or applications) that are distributed to schools so that schools are able to use the software under the existing Microsoft schools and campus agreement.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19 outlining what the department is targeting to achieve during the year, as well as briefly looking at the challenges, and proposed new developments.

The largest share of the department's budget allocation is for the provision of personnel. The department received an additional allocation from National Treasury in respect of the carry-through costs for the 2015 above-budget wage agreement in order to fully compensate the department for the wage differential. However, in applying the inflationary wage adjustments, a shortfall will continue to exist amounting to R765.918 million estimated for 2018/19.

The department was allocated additional funding from the provincial fiscus in 2018/19 relating to disaster relief in respect of the flood damage that occurred in the province. The focus over the MTEF will be on improving curriculum delivery, particularly through ensuring access to high quality LTSM. Funds are allocated for transfer to ECD classes, as well as procurement of LTSM for these schools. All learners in

quintiles 1, 2 and 3 schools will continue to be fed through the NSNP grant. The grant framework allows for the inclusion of learners from quintile 4 and 5 primary schools who come from impoverished families, but are attending these schools.

Curriculum management and delivery

Curriculum and Assessment Policy Statements: The department will maintain the intervention programmes of previous years, but the main aspect of curriculum delivery and support will focus on the role of circuit managers as curriculum delivery supervisors, the audit of curriculum delivery, reskilling of teachers through improved teacher development strategies, as well as improvement of assessment strategies in the General Education and Training band. The subject advisors and circuit managers will assist schools to monitor curriculum coverage. There will be regular monitoring of curriculum coverage by the School Management Teams (SMTs). The schools will receive well prepared lesson plans coupled with assessment exercises and memoranda. These exercises will help teachers to get feedback after teaching each aspect of work. The schools will have curriculum delivery targets which will be monitored by the circuit management on a monthly basis. The schools will write common tests as part of continuous assessments in all subjects, where they have obtained less than 75 per cent. The schools will be sampled for moderation by subject.

Early Childhood Development: In the Pre-Grade R sub-programme, provision is made for the training of practitioners, payment for stipends for practitioners in community centres with Grade R classes and the provision of core material.

Teacher provision, development and support

Teacher supply: The supply of qualified educators into the system remains a constraint towards the delivery of quality education, particularly in subjects like Mathematics and Science. In addition to the provision of bursaries to attract young people into teaching, the department will be engaging with the DHET with a view to dealing with this issue. Support to educators will be provided as part of the overall curriculum content implementation, management and delivery. Subject specialists will contribute towards educator support.

Infrastructure development and maintenance

The department aims to increase the maintenance portfolio through the creation of a maintenance directorate and this can be seen through an increase in the maintenance allocation for 2019/20 to 20 per cent of the allocated budget in line with the Education Infrastructure Grant (EIG) framework. It should be noted that the maintenance directorate is funded from the earmarked allocation against the equitable share in respect of infrastructure support. Furthermore, the EIG was reduced over the 2018/19 MTEF by amounts of R57.867 million, R237.419 million and R40.730 million, respectively. This has resulted in the reprioritisation of funds within capital projects which affected mostly new infrastructure projects as five projects will no longer be awarded in 2018/19. Also, 15 upgrade projects which were earmarked to be awarded early in 2018/19 will be moved to commence later in the year should funds be available or commence in 2019/20.

School infrastructure: The department is planning to complete 10 new and replacement schools in 2018/19 as part of implementing norms and standards guidelines for school infrastructure. The focus will be on schools with overcrowding, creating new teaching and learning spaces and those requiring specialist classrooms. New schools to be completed in 2018/19 include Goodhome secondary school in uThukela district, Mbongeleni primary school in uMzinyathi district, Mahlabeni primary school in uMkhanyakude, among others.

Projects relating to new schools, curriculum support classrooms, laboratories, multi-purpose classrooms, as well as electrification, sanitation and water will continue so that basic functionality can be achieved in all 5 957 schools in KZN. The roll-out of water and sanitation, repairs to storm damaged schools and upgrades and additions will continue to receive emphasis. The department has recruited 71 technical personnel as part of the IDMS and this will address some of the challenges, including improving infrastructure planning and attending to problematic projects, monitoring and evaluation, and quality of completed work ensuring value for money for all projects.

Special schools infrastructure: The department will continue to make the provision of special schools' infrastructure an area of focus in order to grant access to education for learners with special needs. This includes projects such as the construction of new special schools, namely Vulekani special school in the Harry Gwala district, Inanda special school in Pinetown district, Ntuthuko special school in the uThukela district, which include boarding facilities.

Storm damage: Unpredictable weather patterns continue to disrupt infrastructure programmes and had an adverse impact, with 324 schools damaged in September 2017 and 170 schools in October 2017. Thus, the disaster relief allocation of R83.300 million in 2018/19 will be utilised to complete these projects.

ECD infrastructure: A total of 52 ECD projects are under construction and will be completed in 2018/19. The schools that offer Grade R will have appropriate facilities after completion of the projects. It should also be noted that all new construction, upgrades and additions in primary schools include Grade R classrooms and facilities.

Information and communication technology (ICT)

Various ICT platforms have been introduced in the province and the department will strengthen these. A free on-line school is being investigated to deal with the challenges of progressed learners, particularly in Grades 10, 11 and 12. This will provide technology-based educational services offering integrated offline and online solutions aimed at empowering teachers and engaging students better in the teaching and learning of Mathematics and Sciences and other subjects. This tool will be used to provide quality educational services to enhance the online educational environment should it be successful. This will be a one-stop site for development, e-learning and communication solutions that work with experienced educators across the globe in designing and developing digital educational resources, portal and learning management systems.

Learner transport services

The learner transport service function will move from the DOT to the department from 1 April 2018. The budget for this function will increase from R195.300 million in 2017/18 to R206.630 million in 2018/19. The number of learners benefitting will increase from 47 747 to 50 680, including the 2 933 learners from 12 schools in Nquthu. This was after a court order ruled in favour of these learners to be included in the programme. The department indicated that the addition of these 12 schools will place further pressure on a budget that is already constrained. The projected shortfall is estimated at R155 million, including the R102 million projected over-expenditure for 2017/18, the estimated R42 million required for the 12 Nquthu schools, and the R11 million budget for the firm which monitors the entire programme in the province. The department is in the process of awarding new contractors with new costs for each contract and this will give a more realistic estimate of the actual budget required for 2018/19, and this will be reviewed in-year at this stage.

Provision of classroom support resources and equipment

National School Nutrition Programme: All learners in quintiles 1, 2 and 3 schools will continue to be fed, while the framework provides for the inclusion of quintiles 4 and 5 learners from impoverished backgrounds. The department relies on various stakeholders to ensure that funding that is meant for learners is spent on learners, and matters of corruption and non-compliance to the menu are reported timeously. The number of learners benefitting from the programme has increased tremendously from inception of the programme. The department continues with its collaboration with the district municipal agencies in the supply of perishables (i.e. vegetable and fruits) to schools. In contributing towards a broader social protection agenda and economic transformation, the department employs a centralised procurement strategy which provides opportunities to 174 co-operatives and 1 675 SMMEs. The programme will also create decent jobs for 12 557 food handlers who are parents in participating schools and will receive a stipend of R1 188 per month at a ratio of 1:200 learners. All learners in quintile 1, 2 and 3 schools will be provided a meal through the NSNP grant in line with the grant framework.

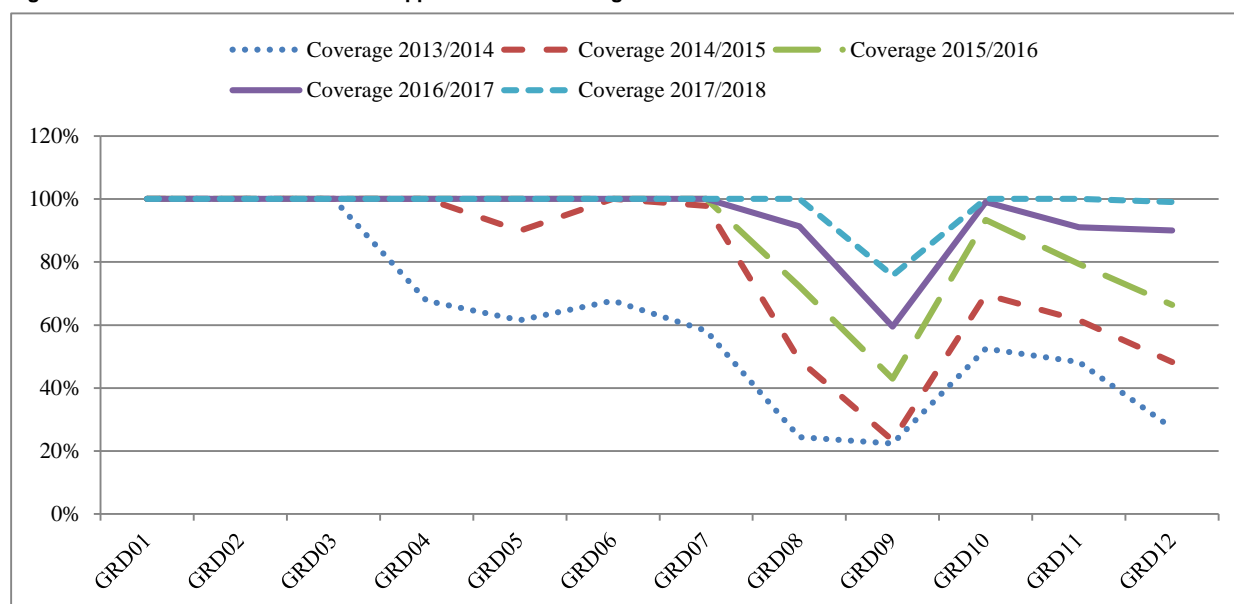
Norms and standards: The department provides norms and standards for public ordinary schools. Schools are categorised into two funding categories, namely no-fee schools and fee-paying schools. The no-fee schools are funded at R955 per learner, while the 2018 recommended national funding norm is R1 316 per learner, which is the no-fee threshold. This applies to schools ranked in quintiles 1 – 3 in respect of the

poverty ranking. The fee-paying schools in quintiles 4 and 5 are funded at R522 and R179 per learner, compared to the recommended national target of R660 and R228, respectively. An additional budget of R752.898 million is required, in order for the department to meet the national recommended funding norm.

Learner Teacher Support Material: The department will continue to procure textbooks on a top-up basis to accelerate the road to universal coverage. LTSM procurement plans will continue to ensure that orders are placed prior to July 2018 so that the cheaper 2017 prices are applicable. In November 2018, the department embarked on getting inventories of textbooks updated for all 5 854 public ordinary schools. This process will be invested in vigorously so that schools are held accountable for LTSM procured.

The department aspires towards universal coverage of textbooks. The changes in the Further Education and Training (FET) literature placed considerable pressure on the purchasing priorities and coverage in secondary schools. This is evident in Figure 5.1 which illustrates the low coverage in Grade 9, mainly due to insufficient funding in respect of the national minimum per capita allocation for all quintiles. Since the purchase of textbooks is dependent on per capita allocation, schools had no option but to prioritise Grade 12 purchases, leaving little or no funds to top-up in Grades 8 and 9. Strategies have been implemented to ensure that textbooks are indeed entering the schooling system, including checking of supplier invoices and delivery notes against orders placed, random inspection of LTSM delivered to schools and comparing of supplier orders with publishers' records.

Figure 5.1: Provincial Learner Teacher Support Material Coverage



Source: DOE, own calculations

4. Reprioritisation

The department undertook minor reprioritisation, at both programme and economic classification levels, and the details are as follows:

- Programme 1: Administration was increased to cater for the leasing of departmental office buildings. These funds were previously allocated against Programme 6: Infrastructure Development and are now correctly allocated in this programme.
- Programme 2: Public Ordinary School Education was reduced by R399 million over the three years of the 2018/19 MTEF and this relates to the 1 313 Grade R educators who were erroneously budgeted and paid against this programme instead of Programme 5: Early Childhood Development. Also, an amount of R106.760 million, R116.512 million and R117.970 million was reduced over the 2018/19 MTEF to ease spending pressures against Programme 7: Examination and Education Related

Services. This relates to pressures due to increased printing for June and September supplementary exams, answer books for NSC, printing of memos for Adult Education Training (AET) and NSC, printing of Grades 10 and 11 common tests, as well as mark sheets.

- Programme 4: Public Special School Education was reduced over the 2018/19 MTEF. This relates to 13 Grade R educators who were erroneously paid against this programme instead of Programme 5.

5. Procurement

The department will continue to implement government policies on procurement in order to maximise the current budget allocation. The procurement plan will be monitored throughout the financial year to ensure that procurement of *Goods and services* is in line with planned activities. The major procurement to be undertaken continues to include LTSM top-up for non S21 schools, school furniture, NSNP, and the hiring of marking centres for the NSC.

The learner transport function will move to the department as from 01 April 2018, which includes the management of various contracts. The improvement of the SCM processes in respect of the MST grant will be monitored continuously in order to ensure that the grant is fully spent.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 5.1 shows the sources of funding for Vote 5: Education from 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of equitable share, and national conditional grant allocations.

Table 5.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	36 268 079	39 833 571	42 203 043	43 853 225	43 853 225	43 853 225	47 242 210	50 218 961	53 995 058
Conditional grants	2 796 382	3 395 026	3 554 651	3 573 374	3 573 374	3 573 374	3 577 672	3 566 338	3 885 552
Education Infrastructure grant	1 385 781	1 978 683	2 045 211	1 993 146	1 993 146	1 993 146	1 866 435	1 794 644	1 991 333
HIV and AIDS (Life-Skills Education) grant	61 988	50 588	53 096	56 115	56 115	56 115	58 922	62 155	65 450
National School Nutrition Programme (NSNP) grant	1 237 534	1 287 034	1 363 783	1 450 087	1 450 087	1 450 087	1 534 878	1 611 622	1 726 104
Maths, Science and Technology (MST) grant	64 848	59 998	62 453	61 660	61 660	61 660	61 203	64 638	67 079
OSD for Education Sector Therapists grant	41 581	13 079	-	-	-	-	-	-	-
Learners with Profound Intellectual Disabilities grant	-	-	-	5 558	5 558	5 558	27 230	33 279	35 586
Social Sector EPWP Incentive Grant for Provinces	2 580	3 000	27 318	4 808	4 808	4 808	27 004	-	-
EPWP Integrated Grant for Provinces	2 070	2 644	2 790	2 000	2 000	2 000	2 000	-	-
Total receipts	39 064 461	43 228 597	45 757 694	47 426 599	47 426 599	47 426 599	50 819 882	53 785 299	57 880 610
Total payments	39 289 076	43 096 534	45 960 452	47 476 599	47 900 093	48 286 416	50 903 682	53 785 299	57 880 610
Surplus/(Deficit) before financing	(224 615)	132 063	(202 758)	(50 000)	(473 494)	(859 817)	(83 800)	-	-
Financing									
of which									
Provincial roll-overs	45 635	6 896	40 210	-	116 807	116 807	-	-	-
Provincial cash resources	454 000	136 000	240 000	50 000	356 687	356 687	83 800	-	-
Surplus/(Deficit) after financing	275 020	274 959	77 452	-	-	(386 323)	-	-	-

In 2014/15, R45.635 million was rolled over from 2013/14 in respect of the NSNP grant, MST grant, HIV and AIDS (Life-skills Education) grant and EPWP Integrated Grant for Provinces. An additional R99 million was allocated to the department from provincial cash resources to assist with spending pressures. Of significance is that no funding was received from National Treasury for the above-budget 2014 wage agreement estimated at R310 million. The engagements between the department and Provincial Treasury resulted in an additional R355 million being allocated from provincial cash resources in the 2014/15 Second Adjustments Estimate to assist with its operational pressures. The under-spending in 2014/15 was mainly attributed to lower employee headcount numbers as a result of resignations and retirements.

In 2015/16, R6.896 million was rolled over from 2014/15, relating to infrastructure project invoices. Also, R136 million was allocated from provincial cash resources to ease pressures of which R25 million related

to the above-budget 2015 wage agreement, and R111 million was allocated for the capital amount owed in terms of the Indiza LTSM litigation matter.

In 2016/17, R40.210 million was rolled over from 2015/16 in respect of committed funds for the payment of minor assets and vehicles that were ordered but not delivered in 2015/16. Also, R100 million was allocated from provincial cash resources to assist the department to address the backlog in respect of water and sanitation improvement in schools and R140 million was allocated from provincial cash resources to ease pressures in respect of the above-budget 2016 wage adjustment. National Treasury increased the NSNP grant by R8.536 million to cover the shortfall caused by high food inflation. The department under-spent by R77.452 million mainly related to non-filling of posts due to the decision taken by the department to enable the department to accommodate the anticipated budget pressures in the ensuing MTEF years, because of the shortfall in the carry-through costs related to the above-budget wage adjustments. Also, NSNP grant was under-spent, because March invoices for feeding for the month are only paid in April and reduced number of accrued invoices from previous years which resulted in under-spending on the grant, as well as internal cost-containment plan against various items, etc.

In 2017/18, R116.807 million was rolled over from 2016/17 relating to the NSNP grant. The department's baseline included an amount of R50 million from provincial cash resources in respect of improving water and sanitation in schools. This was the balance of the total amount of R150 million that was allocated to the department to address backlogs in terms of improving water and sanitation in schools. Also, R200 million was allocated from provincial cash resources to assist the department to address spending pressures and R106.687 million was allocated to repair numerous schools that were damaged by a severe wind storm in September 2017 (R36.687 million), as well as flood disaster in October 2017 (R70 million). The department projects to over-spend by R386.323 million mainly related to *Compensation of employees* attributed to lower than prescribed wage adjustment budget growth.

The 2018/19 budget includes R83.800 million, funded from provincial cash resources, for disaster relief for the damage caused by the wind storm in September 2017 and flooding in 10 October 2017, as this allocation was made over two years, i.e. 2017/18 and 2018/19. The budget shows healthy growth over the 2018/19 MTEF, mainly due to additional funds of R1.014 billion allocated in the outer year for the above-budget wage agreement. It should be noted that the learner transport service function, as well as the budget is being shifted back from DOT from 2018/19 onward. As this is a function shift, the funds must also follow the function, hence the movement of the funds amounting to R206.630 million in 2018/19, R218.201 million in 2019/20 and R230.202 million in 2020/21. Also, it should be noted that the prior years' figures (with the exception of 2017/18) have been restated for comparative purposes.

6.2 Departmental receipts collection

Table 5.2 illustrates the revenue collected by the DOE over the seven-year period.

Details of these receipts are presented in the *Annexure – Vote 5: Education*.

Table 5.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	47 669	48 807	56 377	58 564	58 564	58 564	61 961	65 430	69 028
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 151	1 618	592	358	358	1 337	379	400	422
Sale of capital assets	-	5 489	11 556	-	-	4 253	-	-	-
Transactions in financial assets and liabilities	47 885	37 604	55 114	33 470	33 470	33 470	35 411	37 394	39 451
Total	96 705	93 518	123 639	92 392	92 392	97 624	97 751	103 224	108 901

The department's major source of revenue is *Sale of goods and services other than capital assets*, which consists mainly of commission on PERSAL deductions such as insurance and garnishees, examination and remarking fees, as well as fees for viewing scripts, housing and parking rental, etc. It is difficult to project revenue collection from this source due to its uncertain nature. The growth over the 2018/19 MTEF is based on inflationary increments.

Interest, dividends and rent on land is derived from interest on monies owed by staff. The department is very conservative in terms of budgeting for this category, due to its unpredictable nature.

Sale of capital assets relates to the disposal of redundant motor vehicles and office equipment. This category is not budgeted for over the MTEF as the department does not dispose of its assets every year.

Revenue under *Transactions in financial assets and liabilities* is collected in respect of monies expended by the department in prior years relating to over-payments of suppliers and/or employees. The fluctuation over the seven-year period was due to the department's concerted effort to improve debt collection. Revenue from this category is difficult to budget for. The increase over the MTEF is inflationary related.

6.3 Donor funding – Nil

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 8 below, as well as in the *Annexure – Vote 5: Education*.

7.1 Key assumptions

The following key assumptions were applied in formulating the 2018/19 MTEF budget:

- All inflation related increases are based on CPI projections.
- In terms of the National Treasury's guidelines, the cost of living adjustment is 8 per cent in 2018/19, 7.8 per cent in 2019/20 and 8 per cent in 2020/21, including the 1.5 per cent pay progression. However, the department's budget growth is below inflation at 5.9 per cent in 2018/19, 6.1 per cent in 2019/20 and 7.7 per cent in 2020/21. This means that the budget does not provide for the 1.5 per cent pay progression for support staff who are employed in terms of the Public Service Act, or the 1 per cent pay progression for educators. Also, it is estimated that 2 041 post will not be afforded in 2018/19 due to the below inflationary budget growth.
- The personnel budget does not cater for all the personnel numbers currently on the system (PERSAL). As at the end of December, the personnel numbers had increased to 113 589, which included the examination markers appointed for the exam period only. It should be noted that, while the number of posts in the departmental establishment is 107 433, the affordability is greatly reduced due to the shortfall in the MTEF allocations. This will be reviewed by the department in-year.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.
- The funding of schools is not yet in line with the National Norms and Standards for School Funding due to budget constraints within the Vote.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 5.3 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. for the financial year 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 5.1 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	1 123 500	1 147 042	1 179 478	1 245 529	1 314 033
Above-budget 2015 wage agreement	1 023 500	1 097 042	1 179 478	1 245 529	1 314 033
Water and sanitation in school	100 000	50 000	-	-	-
2017/18 MTEF period		(238 347)	367 889	719 678	759 260
PES and Provincial Own Revenue reductions		(172 998)	(197 773)	(350 792)	(370 086)
Budget cuts to fund remuneration of <i>Izinduna</i>		(65 349)	(68 943)	(72 735)	(76 735)
Additions for <i>Compensation of employees</i>		-	634 605	686 110	723 846
Additional funding from National Treasury		-	-	457 095	482 235
2018/19 MTEF period			290 430	218 201	1 244 256
Learner Transport function shift from DOT			206 630	218 201	230 202
Disaster relief - Wind storms in Sept 2017			20 000	-	-
Disaster relief - flooding of 10 October 2017			63 800	-	-
Above-budget wage agreement			-	-	1 014 054
Total	1 123 500	908 695	1 837 797	2 183 408	3 317 549

With regard to the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced or cut. Education was not affected by this cut, though. Instead, the department received funding for the carry-through of the above-budget 2015 wage agreement and for the improvement of water and sanitation in schools.

In the 2017/18 MTEF, the department's budget was reduced in respect of the cuts implemented against the PES and Provincial Own Revenue. Also, the department's budget decreased relating to the provincial reprioritisation undertaken for the remuneration of *Izinduna*. Offsetting the cuts, National Treasury allocated additional funding from 2018/19 to allow provinces to fill some of the posts which became vacant or to employ additional teachers to respond to increasing enrolment which has resulted in increases in class sizes in some instances. Furthermore, National Treasury allocated additional funding to provinces in the outer year of the 2017/18 MTEF. This amount was proportionately allocated to all 15 Votes to ensure that the budget cuts referred to above were offset in the outer year.

In the 2018/19 MTEF, the learner transport services function was shifted back to the department from DOT, as mentioned. The 2018/19 budget includes R20 million and R63.800 million, funded from provincial cash resources, for disaster relief in respect of the damage caused by the wind storm in September 2017 and flooding in October 2017, as this allocation was made over two years, i.e. 2017/18 and 2018/19. Also, National Treasury has allocated additional funding to provinces in the outer year of the 2018/19 MTEF, with carry-through. This amount is proportionately allocated to all 15 Votes to cater for the above-budget wage agreement, hence an allocation of R1.014 billion in 2020/21.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R218.935 million in the 2018/19 Adjustments Estimate.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 5.3, this funding was specifically and exclusively appropriated and the department has appointed administrative support staff who assist the Works Inspectors. The department envisages filling additional Works Inspector posts over the 2018/19 MTEF. Thus, amounts of R11.937 million, R12.605 million and R13.298 million remain ring-fenced for this purpose over the three years of the 2018/19 MTEF.

7.3 Summary by programme and economic classification

Tables 5.4 and 5.5 provide a summary of the Vote's payments and budgeted estimates by programme and economic classification, respectively, for the seven-year period.

In terms of Section 34(2) of the PFMA, and in line with SCOPA resolutions by the Legislature on 9 December 2014, the department is liable for the repayment of previous year's over-spending which resulted in unauthorised expenditure. This resulted in instalments of the first charge of R31.892 million being implemented against the budget in 2015/16, as well as R31.893 million in 2016/17 as per the department's AFS, and the last instalment in 2017/18. This is shown as a footnote in Tables 5.4 and 5.5.

Table 5.4 : Summary of payments and estimates by programme: Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
1. Administration	1 452 318	1 651 446	1 824 322	1 833 503	1 833 503	1 778 866	1 984 826	2 095 510	2 208 237
2. Public Ordinary School Education	32 878 925	35 789 017	38 124 081	39 953 974	39 721 781	40 343 213	42 626 473	45 214 349	48 766 813
3. Independent School Subsidies	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
4. Public Special School Education	888 713	942 327	1 047 943	1 089 809	1 082 809	1 112 083	1 167 951	1 238 272	1 307 238
5. Early Childhood Development	506 123	603 671	973 523	825 595	1 231 595	999 780	1 280 418	1 329 386	1 380 173
6. Infrastructure Development	2 211 080	2 614 065	2 593 445	2 308 147	2 414 834	2 414 834	2 186 607	2 153 854	2 372 830
7. Examination and Education Related Services	1 280 950	1 418 730	1 316 238	1 379 533	1 529 533	1 551 602	1 566 379	1 657 803	1 743 908
Total	39 289 076	43 096 534	45 960 452	47 476 599	47 900 093	48 286 416	50 903 682	53 785 299	57 880 610
Unauth. Exp. (1st charge) not available for spending	-	(31 892)	(31 893)	(31 893)	(31 893)	(31 893)	-	-	-
Baseline available for spending after 1st charge	39 289 076	43 064 642	45 928 559	47 444 706	47 868 200	48 254 523	50 903 682	53 785 299	57 880 610

Table 5.5 : Summary of payments and estimates by economic classification: Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Current payments	35 409 049	38 715 581	41 765 226	43 648 235	44 234 596	44 596 525	47 154 751	49 965 643	53 740 170
Compensation of employees	32 037 938	34 527 080	37 608 395	39 869 285	39 991 963	40 498 770	42 890 943	45 488 215	49 002 786
Goods and services	3 367 992	4 050 569	4 156 303	3 778 950	4 242 460	4 096 848	4 263 808	4 477 428	4 737 384
Interest and rent on land	3 119	137 932	528	-	173	907	-	-	-
Transfers and subsidies to:	1 857 892	1 908 152	1 945 524	1 938 940	1 752 699	1 787 832	1 988 164	2 102 860	2 220 718
Provinces and municipalities	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Departmental agencies and accounts	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 666 314	1 656 841	1 692 709	1 765 959	1 577 759	1 577 772	1 805 150	1 909 598	2 016 826
Households	167 451	171 470	168 227	83 003	84 358	118 743	87 817	92 734	97 835
Payments for capital assets	2 022 135	2 440 909	2 217 809	1 857 531	1 880 905	1 870 166	1 760 767	1 716 796	1 919 722
Buildings and other fixed structures	2 017 870	2 343 612	2 170 374	1 827 871	1 835 438	1 835 438	1 736 691	1 691 879	1 894 401
Machinery and equipment	4 265	97 297	47 188	25 660	40 729	29 990	20 076	20 917	21 321
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	247	4 000	4 738	4 738	4 000	4 000	4 000
Payments for financial assets	-	31 892	31 893	31 893	31 893	31 893	-	-	-
Total	39 289 076	43 096 534	45 960 452	47 476 599	47 900 093	48 286 416	50 903 682	53 785 299	57 880 610
Unauth. Exp. (1st charge) not available for spending	-	(31 892)	(31 893)	(31 893)	(31 893)	(31 893)	-	-	-
Baseline available for spending after 1st charge	39 289 076	43 064 642	45 928 559	47 444 706	47 868 200	48 254 523	50 903 682	53 785 299	57 880 610

Programme 1: Administration reflects strong growth over the seven years, attributed to the following:

- The 2016/17 high amount relates to additional funding from National Treasury for the above-budget 2015 wage agreement, as well as funds from provincial cash resources to assist with pressures arising in this regard. The high growth in 2018/19 relates mainly to the low base as a result of projected under-spending in the 2017/18 Revised Estimate. This can be ascribed to the non-filling of posts due to inadequate provision of the annual salary increment across all programmes. The 2018/19 MTEF budget provides for *Compensation of employees* for 3 292 filled posts. Due to below inflationary growth provided for, the department cannot afford to fill any vacant posts.
- In addition, the budget provides for operational costs including computer services such as SITA datalines which are centralised in this programme, bursaries for employees, communication costs for departmental programme adverts including radio broadcasts in remote areas for offering matric lessons, travel and subsistence for school and district monitoring, cleaning, security, electricity and fumigation services in district offices, legal services for cases against the department, as well as operating leases for office buildings, etc. As indicated above, the 2014/15 to 2017/18 amounts include the first charge and this is reflected against *Payments for financial assets*.

Programme 2: Public Ordinary School Education reflects significant growth over the seven-year period, largely influenced by the various wage and OSD agreements, as well as funding of national priorities such as LTSM, expansion of no-fee schools, reduction of the L:E ratio, etc. *Compensation of employees* remains the biggest cost driver of this programme, consuming about 90 per cent of the budget over the 2018/19 MTEF. The 2017/18 Adjusted Appropriation reflects a decrease largely as a result of the movement of the budget for 1 313 ECD educators who were erroneously paid against this programme. This budget correction is carried through over the 2018/19 MTEF. The growth over the 2018/19 MTEF provides for the conditional grant increases which are commented on later, human resource development for the development of educators and School Governing Bodies (SGBs), norms and standards for transfers to schools and the purchase of LTSM, school feeding in respect of the NSNP grant, the sanitary towel distribution programme with a budget of R40 million in each year of the MTEF, as well as the provision for learner transport services. However, it should be noted that *Compensation of employees* grows below inflation which means the department will continue to experience budget pressures.

Programme 3: Independent School Subsidies reflects steady growth over the seven-year period. This programme has previously experienced pressures due to the increase in the number of schools that require subsidies. However, any form of subsidy can only be paid out of the existing budget, and this is communicated in time to the affected schools and SGBs. The growth over the 2018/19 MTEF is thus inflation related.

Programme 4: Public Special School Education reflects strong growth over the period. The 2018/19 MTEF provides for the increase in the allocation for the Learners with Profound Intellectual Disabilities grant, which seeks to address learners with disabilities in public special schools. This was allocated against *Compensation of employees* for the appointment of Therapists, Chief Psychologists, as well as Deputy Chief Education Specialists. Also, the budget provides for the transfers to special schools for the purchase of LTSM for the S21 schools who can purchase on their own, operational costs, as well as the purchase of vehicles for school and district monitoring, including tools of trade such as office furniture and computers.

Programme 5: Early Childhood Development reflects low growth in the two outer years of the 2018/19 MTEF, largely due to below inflationary budget growth for *Compensation of employees*. The 2017/18 Adjusted Appropriation reflects substantial growth, mainly due to the previously mentioned movement of the budget for 1 313 ECD educators who were incorrectly paid against Programmes 2 and 4. The growth over the 2018/19 MTEF is low and mainly provides for training of ECD Practitioners, transfers to ECD centres and the purchase of LTSM. The stipends to ECD Practitioners are paid through the Social Sector EPWP Grant for Provinces in Programme 2.

Programme 6: Infrastructure Development reflects steady growth. The low spending in 2014/15 was due to the reprioritisation undertaken from this programme to fund *Compensation of employees* in other programmes with carry-through. The high 2017/18 Adjusted Appropriation is due to the additional allocation in respect of disaster relief. The decrease in 2018/19 is attributed to reductions in the EIG due to fiscal consolidation cuts. The 2018/19 MTEF caters for the maintenance and repairs to schools and office buildings, major upgrades and additions, refurbishments, as well as construction of new infrastructure.

Programme 7: Examination and Education Related Services shows steady growth. The expenditure for this programme is influenced by the number of learners writing matric. The budget grows in anticipation of increased learner numbers for public ordinary schools, as well as provision for strengthening the marking processes. The high 2017/18 Revised Estimate relates mainly to travel and subsistence which was high due to the implementation of the operation “Bounce Back” strategy aimed at improving matric results, as well as operating payments due to increased printing for June and September supplementary exams. The growth over the 2018/19 MTEF provides for examination services, such as printing for NSC and other grades, as well as travelling to schools for professional or advisory services, etc. It is noted that the budget growth for *Compensation of employees* is below the prescribed inflationary wage adjustment which will result in in-year pressures and thus the inability to fill posts.

Compensation of employees reflects an increase at an average annual rate of 6.6 per cent from R40.499 billion in 2017/18 to R49.003 billion in 2020/21. The 2017/18 Revised Estimate reflects

projected over-spending due to lower than prescribed provision for the inflationary wage adjustment. The department provided for growth of 5.9 per cent in 2018/19, 6.1 per cent in 2019/20 and 7.7 per cent in 2020/21, which is below National Treasury prescribed growth of 8 per cent in 2018/19 and 2020/21, as well as 7.8 per cent in 2019/20. The department will have to review the budget in future MTEFs, as it indicated that further reprioritisation could not currently be undertaken to sufficiently fund *Compensation of employees*. The low 2018/19 amount is also not adequate to cater for all of the existing filled posts. It is also noted that the budget growth for the outer year is below the prescribed inflationary wage adjustment, although the department was allocated additional funds for the above-budget wage agreement. This clearly indicates that the department will continue to experience budget pressures over the 2018/19 MTEF, with limited scope to fill posts apart from conditional grant funded posts, since these funds are specifically and exclusively appropriated.

Goods and services increases over the seven-year period. Though an upward trend is evident from 2014/15 to 2016/17, the department implemented an internal cost-containment plan commencing in 2011/12 in order to reduce unauthorised expenditure caused by spending pressures in personnel. The 2017/18 Revised Estimate reflects projected under-expenditure, mainly due to efforts to reduce spending pressures in order to remain within budget, as per the Provincial Executive Council resolution. The budget grows steadily over the 2018/19 MTEF and includes provision for the purchase of LTSM through management agent. Training and development also increases to ensure that educators are developed in various priority areas, and includes provision for school management workshops and training of SGBs, operating payments for printing of memos for NSC exams and printing of common tests for Grades 10 to 11, travel and subsistence for school monitoring, school feeding in respect of the NSNP grant, provision for learner transport services, provision for the sanitary towel distribution programme at an estimated R40 million in each year of the MTEF, maintenance and repairs of school infrastructure, as well as increases in various conditional grants.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts reflects transfers made to the Education Training and Development Practices Sector Education and Training Authority (ETDP SETA) in respect of the Skills Development Act.

Transfers and subsidies to: Non-profit institutions fluctuates over the period under review, largely influenced by the unpredictability in learner enrolment numbers in both public ordinary and independent schools. Due to budget pressures, the transfer payments to schools are below the sector norms and standards. The 2017/18 Revised Estimate reflects projected over-expenditure due to the anticipated transfer to schools that meet the transfer requirements, as well as successful contestation by some schools for changes in quintile ranking. The 2018/19 MTEF makes provision for transfers to quintiles 1 – 5 in respect of public ordinary schools, independent schools, public special schools and ECD centres. The funds are utilised for the purchase of textbooks and stationery for S21(c) schools, as well as for payment of operational costs such as domestic accounts and minor maintenance, including painting and cleaning.

Transfers and subsidies to: Households caters for staff exit costs, including the pay-out of capped leave.

Buildings and other fixed structures fluctuates over the period, largely due to the bidding process for funding in respect of the EIG, as well as baseline reprioritisation undertaken from 2014/15 to fund personnel pressures. The increase in the 2017/18 Adjusted Appropriation is attributed to the additional funding for disaster relief, as previously mentioned. The decrease in 2018/19 and 2019/20 is attributed to reductions in the EIG due to fiscal consolidation cuts. The 2018/19 MTEF caters for major upgrades and additions, refurbishments, as well as construction of new school infrastructure. The department receives R83.300 million in the first year of the 2018/19 MTEF in respect of the disaster relief. The 2018/19 MTEF caters for various capital infrastructure projects including completing 10 new schools, as previously mentioned. The roll-out of water and sanitation, repairs to storm damaged schools and upgrades and additions will also continue.

Machinery and equipment fluctuates between 2014/15 and 2020/21, due to cost-cutting and enforced savings to ease pressures against personnel. The high 2015/16 amount is attributed to the procurement of

buses for transportation of disabled learners, additional tools of trade and braille machines, among others. The low 2017/18 Revised Estimate is due to delays in the procurement processes for the purchase of tools of trade, as well as workshop equipment for technical schools against the MST grant. The 2018/19 MTEF provides mainly for the MST grant, for the purchase of workshop tools for technical schools, purchase of vehicles in respect of the Learners with Profound Intellectual Disabilities grant, as well as the replacement of tools of trade such as office furniture and computers for the department.

Software and other intangible assets reflects the budget for ICT in schools, and is mainly funded from the MST grant. The 2018/19 MTEF provides for ICT in schools, progressive upgrading of IT at an administration level, as well as strengthening EMIS to improve data credibility in schools.

Payments for financial assets relates to the previously mentioned first charge for the unauthorised expenditure which was not approved by SCOPA.

7.4 Summary of conditional grant payments and estimates

Tables 5.6 and 5.7 provide a summary of conditional grant payments and estimates by programme and economic classification for the period 2014/15 to 2020/21.

Note that the historical figures set out in Table 5.6 reflect actual expenditure per grant, and should not be compared to those reflected in Table 5.1, which represent the actual receipts with respect to each grant.

The department administers seven conditional grants in 2018/19, details of which are included in the *Annexure – Vote 5: Education*.

Table 5.6 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Education Infrastructure grant	1 385 781	1 978 683	2 045 211	1 993 146	1 993 146	1 993 146	1 866 435	1 794 644	1 991 333
HIV and AIDS (Life-Skills Education) grant	85 683	50 588	55 074	56 115	56 115	56 115	58 922	62 155	65 450
National School Nutrition Programme grant	1 253 708	1 287 034	1 246 976	1 450 087	1 566 894	1 566 894	1 534 878	1 611 622	1 726 104
Maths, Science and Technology grant	75 610	59 998	63 468	61 660	61 660	61 660	61 203	64 638	67 079
Social Sector EPWP Incentive Grant for Provinces	5 518	3 000	27 365	4 808	4 808	4 808	27 004	-	-
EPWP Integrated Grant for Provinces	-	2 644	2 844	2 000	2 000	2 000	2 000	-	-
Learners with Profound Intellectual Disabilities grant	-	-	-	5 558	5 558	5 558	27 230	33 279	35 586
OSD for Education Sector Therapists grant	41 581	13 079	-	-	-	-	-	-	-
Total	2 847 881	3 395 026	3 440 938	3 573 374	3 690 181	3 690 181	3 577 672	3 566 338	3 885 552

Table 5.7 : Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 560 051	1 415 639	1 418 425	1 718 663	1 929 481	1 929 287	1 902 037	1 957 447	2 079 670
Compensation of employees	45 133	41 026	69 097	79 291	68 553	64 082	120 515	100 588	104 789
Goods and services	1 514 918	1 374 569	1 349 328	1 639 372	1 860 928	1 865 205	1 781 522	1 856 859	1 974 881
Interest and rent on land	-	44	-	-	-	-	-	-	-
Transfers and subsidies to:	22 924	12 178	15 680	6 000	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	22 924	12 178	15 680	6 000	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 264 906	1 967 209	2 006 833	1 848 711	1 760 700	1 760 894	1 675 635	1 608 891	1 805 882
Buildings and other fixed structures	1 264 906	1 967 178	2 006 568	1 827 871	1 728 751	1 728 751	1 652 891	1 585 829	1 782 518
Machinery and equipment	-	31	265	16 840	27 349	27 543	18 744	19 062	19 364
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	4 000	4 600	4 600	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 847 881	3 395 026	3 440 938	3 573 374	3 690 181	3 690 181	3 577 672	3 566 338	3 885 552

The EIG sees a reduction over the 2018/19 MTEF due to fiscal consolidation cuts. The fiscal consolidation cuts translate to a decline of R57.867 million in 2018/19, R237.419 million in 2019/20 and R40.730 million in 2020/21. It should be noted that, although this grant was meant to supplement the existing infrastructure budget, it now forms a major portion following the reduction of the equitable share from 2014/15 onward. The grant framework allows for the utilisation of grant funding for *Compensation of employees* in order to attract suitably qualified built-environment candidates, thus an amount of R29.916 million has been set aside for this in 2018/19 and this increases gradually in the two outer years to R31.591 million and R34.118 million, respectively.

The HIV and AIDS (Life-Skills Education) grant funds a life-skills programme aimed at creating awareness among learners and educators. This grant sees inflationary growth of R2.756 million in the outer year of the 2018/19 MTEF with minor fiscal consolidation cuts in 2018/19 and 2019/20. The 2018/19 MTEF makes provision for activities relating to this grant, including the payment of stipends to learner support agents to undertake on-site peer education and care support programmes in schools on a day-to-day basis, in order to monitor social ills programmes. These include focussing on keeping girls in school, training of educators to implement comprehensive sexuality education and TB prevention programmes. School management teams and SGBs will be trained to develop policy implementation plans focussing on keeping young girls in school, advocacy and social mobilisation events such as World AIDS Day, information on safe circumcision in secondary schools, etc.

The coverage of the NSNP grant was expanded to include quintile 3 secondary schools since 2013. The 2018/19 MTEF budget growth reflects an upward trend and relates to coverage of quintiles 4 and 5 learners from disadvantaged backgrounds and efforts to ensure continuous feeding in schools. It should be noted that this grant was not affected by budget cuts, but grows by R114.482 million in 2020/21. In 2017/18, the department reprioritised funds from *Goods and services* towards *Compensation of employees* for the appointment of 23 staff to monitor feeding in districts (Field Workers, Deputy Directors and Assistant Directors), as well as to *Buildings and other fixed structures* and *Machinery and equipment* for the purchase of 65 mobile kitchens and 16 vehicles, respectively. The 2018/19 MTEF provides for school feeding, payment of food handlers at a ratio of 1:200 with a minimum honorarium of R1 188 per person for 12 months. The targeted number of learners is 2 330 421 in 5 279 schools, including primary, secondary and special schools in quintiles 1 – 3 and 144 166 learners from quintiles 4 to 5. Furthermore, the 2018/19 MTEF allocation provides for the purchase of cooking utensils and equipment such as cutlery and stoves and deep-freezers, as well as the appointment of staff in district offices and head office. The department envisages filling posts for Deputy Directors, Assistant Directors and Administrative Officers in order to effectively implement the grant.

The department projects to fully spend the MST grant, as reflected in the 2017/18 Revised Estimate. This grant was reduced in the first two years of the 2018/19 MTEF by R1.777 million and R1.889 million due to fiscal consolidation cuts, while showing inflationary growth in 2020/21 of R552 000. The budget over the 2018/19 MTEF caters for the equipping of technical secondary schools with the necessary equipment to enhance curriculum delivery and thus increasing the number of suitably qualified and technically skilled learners, within quintiles 1 – 3 being prioritised. The 2018/19 MTEF provides for training and development in terms of structured training in teaching methodologies and subject content for an estimated 4 000 educators and subject advisors in Mathematics, Physical Science, computer applications and technology subjects.

The Social Sector EPWP Incentive Grant for Provinces is only provided for from 2014/15 to 2018/19 and increases significantly in 2018/19 to R27.004 million. This grant is utilised for the appointment of food handlers and data capturers for the NSNP grant programme, as well as utilising community members in social projects such as gardening in schools or crèches, and some who teach at crèches, thus assisting in job creation and poverty alleviation. The 2018/19 allocation will be utilised towards appointment of additional chief food handlers and ECD Practitioners.

The EPWP Integrated Grant for Provinces is aimed at providing incentives to departments to utilise members of the community in their infrastructure projects. The department receives R2 million for the first year of the 2018/19 MTEF only, at this stage, due to the incentive nature of this grant. This grant is utilised for infrastructure related job opportunities.

The Learners with Profound Intellectual Disabilities grant was first introduced in 2017/18 and provides educational opportunities to learners with severe and profound intellectual disabilities. The 2017/18 allocation was to appoint Therapists, Chief psychologists, as well as a Deputy Chief Education Specialist. The purchase of vehicles was undertaken, as well as travelling and accommodation by the outreach teams (Therapists and Psychologists) in the province to monitor the DSD care centres for children with profound disabilities, who are severely intellectually challenged and therefore cannot attend normal special schools. The 2018/19 MTEF allocations provide for the continuous implementation of the grant and monitoring of DSD care centres.

Funding relating to the OSD for Education Sector Therapists grant was allocated to allow for the full implementation of the ELRC Collective Agreement 1 of 2012 and the grant was phased into the equitable share from 2016/17.

7.5 Summary of infrastructure payments and estimates

Table 5.8 presents a summary of infrastructure payments and estimates by category for the Vote, including both capital and current infrastructure for the period 2014/15 to 2020/21. Detailed information on infrastructure is given in the *2018/19 Estimates of Capital Expenditure (ECE)*.

Table 5.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	1 810 672	1 943 009	2 208 888	1 794 035	1 963 842	1 994 100	1 810 334	1 855 824	2 084 832
Maintenance and repair: Current	194 504	214 383	313 588	395 000	476 120	476 454	395 000	405 384	421 838
Upgrades and additions: Capital	1 025 412	1 279 912	1 144 873	1 087 896	1 087 896	1 032 673	1 061 108	1 172 115	1 226 419
Refurbishment and rehabilitation: Capital	590 756	448 714	750 427	311 139	399 826	484 973	354 226	278 325	436 574
New infrastructure assets: Capital	401 702	614 986	275 074	428 836	347 716	317 792	321 357	241 438	231 408
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	92 336	42 000	60 000	60 000	44 000	46 000	46 000
Non infrastructure	-	-	44 923	28 276	28 276	31 260	54 916	56 591	56 591
Total	2 212 374	2 557 995	2 621 221	2 293 147	2 399 834	2 403 152	2 230 607	2 199 854	2 418 830
<i>Capital infrastructure</i>	<i>2 017 870</i>	<i>2 343 612</i>	<i>2 170 374</i>	<i>1 827 871</i>	<i>1 835 438</i>	<i>1 835 438</i>	<i>1 736 691</i>	<i>1 691 879</i>	<i>1 894 401</i>
<i>Current infrastructure</i>	<i>194 504</i>	<i>214 383</i>	<i>405 924</i>	<i>437 000</i>	<i>536 120</i>	<i>536 454</i>	<i>439 000</i>	<i>451 384</i>	<i>467 838</i>

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

The infrastructure budget fluctuates from 2014/15 to 2020/21. However, the reduction of the equitable share portion of the infrastructure budget, which commenced in 2014/15 and was carried through the baseline, has had a negative impact on the roll-out of the infrastructure programme, hence the lower allocations over the MTEF as the infrastructure budget is mainly provided from the EIG.

Existing infrastructure assets fluctuates over the seven year period. The increase in the 2017/18 Adjusted Appropriation relates to additional funds for the wind storm that damaged school infrastructure on 17 September 2017, as well as flood relief in respect of flood damage that occurred on 10 October 2017. The 2018/19 MTEF allocation provides for various ongoing infrastructure projects explained below:

- *Maintenance and repair: Current* fluctuates over the seven-year period. The 2018/19 MTEF provides for the desludging programme, chemical toilets and other maintenance programmes at various schools and administration buildings, including circuit and district offices. There are 405 maintenance projects to be undertaken in 2018/19.
- *Upgrades and additions: Capital* is allocated the largest portion of the budget over the seven-year period as follows:
 - The infrastructure programmes relating to additions and/or renovations of schools to accommodate learners with special needs, boarding facilities, as well as office accommodation will continue in 2018/19. The 2018/19 MTEF reflects gradual budget growth and provides for upgrade projects such as the Pholela, Vulekani, Open Gate and Inanda special schools.

- o The allocation fluctuates over the MTEF due to the carry-through costs of the reprioritisation that was undertaken over the 2015/16 MTEF to ease pressures against *Compensation of employees*. It is noted that additional funding of R20 million is provided in the first year of the MTEF in order to finalise the projects relating to the wind storm and flood that damaged school infrastructure. As mentioned, 150 schools have been targeted to be completed in 2018/19.
- *Refurbishment and rehabilitation: Capital* fluctuates over the seven-year period. The 2018/19 MTEF reflects a decrease in the second year due to reprioritisation that was undertaken to address a shortfall in school upgrade projects which were in progress. The 2018/19 MTEF provides for projects such as the Clairwood and Siganda primary schools and the Glenhills and Qantayi secondary schools.

New infrastructure assets: Capital is low in 2014/15 due to the previously mentioned offsetting of pressures against *Compensation of employees*. The decrease in the 2017/18 Adjusted Appropriation is mainly attributed to the reprioritisation that was undertaken to fund leases for office buildings, as well as *Upgrades and additions: Capital*. The MTEF provides for the construction of various new schools including Siphumele secondary school, Goodhome secondary school, Cosmo primary school, etc. The provision of furniture for the schools will be funded as part of the projects against the EIG. The day-to-day maintenance will be funded from the norms and standards allocation to schools.

Infrastructure: Leases caters for the leasing of office buildings in various district offices.

Non infrastructure provides for *Compensation of employees* for officials appointed through DORA. Out of 69 posts, the department has filled 52 posts. The selection and interview sessions have started for the 12 posts and appointments are anticipated at the beginning of 2018/19, and this includes Chief Director: IDMS Technical Advisor.

7.6 Public Private Partnerships

An assessment was undertaken in pursuing the option of entering into a PPP in an effort to deal with the school infrastructure backlog. However, it was concluded that a PPP to address this issue would not be feasible in the province.

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 5.9 provides details of transfers made to other entities over the seven-year period.

Table 5.9 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

		Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	Sub-programme	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfers to public entities		-	-	-	-	-	-	-	-	-
Transfers to other entities		1 688 344	1 734 980	1 775 966	1 854 721	1 666 521	1 667 269	1 899 060	2 008 767	2 121 449
Section 21 schools	2.1 Public Pr. & 2.2 Public Sec. Lev	1 421 164	1 417 671	1 437 301	1 492 353	1 320 353	1 320 353	1 520 862	1 608 322	1 698 980
Section 20 schools (petty cash)	2.1 Public Pr. & 2.2 Public Sec. Lev	6 543	8 913	9 013	7 221	7 221	7 221	7 640	8 016	8 457
Independent schools	3.1 Primary & 3.2 Secondary Level	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
Public special schools	4.1 Schools	127 801	123 927	130 964	143 819	133 619	133 619	152 161	160 682	169 520
ECD centres	5.1 Gr R in Pub. Sch & 5.2 Dev centr	30 415	17 022	18 851	30 528	30 528	30 541	33 459	36 453	38 458
ETDP SETA	7.1 Payments to SETA	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
HIV and AIDS (Life-Skills Edu.) grant	7.4 Conditional grants	9 424	12 030	15 680	6 000	-	-	-	-	-
Total		1 688 344	1 734 980	1 775 966	1 854 721	1 666 521	1 667 269	1 899 060	2 008 767	2 121 449

The largest portion of transfers is in respect of S21 schools, relating to the transfers of norms and standards funding. The 2017/18 Revised Estimate for transfers to S21 schools is higher than the Adjusted Appropriation mainly related to successful contestations by some schools in respect of quintile ranking. As such, this has limited the reprioritisation that could be undertaken within the Vote in order to increase the allocation for transfers to schools. The allocations for the 2018/19 MTEF include provision for the claims of learners who cannot pay for school fees and are therefore exempted from paying, as per the “No Fee School” policy. These funds are therefore claimed by the school on behalf of learners.

The department still has schools that do not have S21 functions and, for these schools, the department transfers petty cash so that they can deal with immediate school requirements. The slight increase in the

outer year against S20 schools is due to the anticipated withdrawal of S21 functions from schools that continue not to comply with transfer requirements.

As previously mentioned, the subsidies to independent schools are based on the available budget. It is anticipated that the department will fully transfer the 2017/18 amount, and the allocation grows gradually over the 2018/19 MTEF in respect of inflationary increases.

With regard to Public special schools, the 2017/18 Revised Estimate is slightly lower than the budget due to non-compliance to transfer requirements by some schools, as well as schools who opted to purchase LTSM *via* the management agent. There is healthy growth for these schools over the 2018/19 MTEF.

ECD centres reflect steady growth over the seven-year period and the 2018/19 MTEF provides for operational costs for the purchase of some of the LTSM and core materials for Grade R classes.

ETDP SETA transfers relate to the contribution by the department to SETA, as per the Skills Development Act. The increase over the 2018/19 MTEF is due to the previously mentioned provision of 30 per cent for the skills development levy to be allocated to the ETDP SETA, as per a DPSA directive.

HIV and AIDS (Life Skills-Education) grant reflects transfers to schools for the procurement of uniforms and other needs for orphaned and vulnerable children. The decrease to zero in the 2017/18 Adjusted Appropriation was undertaken to correctly allocate the budget to *Goods and services* for advocacy campaigns and training and development, in line with the grant framework. The correction has been carried over the 2018/19 MTEF, in line with sector priorities.

7.8 Transfers to local government

It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and therefore the table reflecting transfers to local government is excluded.

7.9 Transfers and subsidies

Table 5.10 provides a summary of transfers and subsidies by programme and main category. It is noted that the department mainly transfers funds to schools. Details are provided above and below the table.

- Programme 1 caters for *Provinces and municipalities* relating to motor vehicle licences. *Households* under this programme reflects staff exit costs.
- With regard to Programme 2, *Transfers and subsidies* caters for:
 - *Non-profit institutions* reflects payments in respect of sectorally determined norms and standards. The growth over the period is as a result of successful contestations made by some schools to have their quintile ranking elevated. The growth over the MTEF includes reprioritisation that was undertaken to provide for claims of learners who cannot pay for school fees and are therefore exempted from paying, as per the “No Fee School” policy. These funds are therefore claimed by the school on behalf of learners, as previously mentioned.
 - *Households* caters for staff exit costs.
- With regard to Programme 3, *Transfers and subsidies* provides for:
 - *Non-profit institutions* relates to funds which are transferred to independent schools. The steady growth over the 2018/19 MTEF relates to inflationary increases.
- With regard to Programme 4, *Transfers and subsidies* caters for:
 - *Non-profit institutions* shows steady growth over the 2018/19 MTEF due to inflationary increases in respect of transfers to special schools who meet the transfer requirements, as well as the purchase of LTSM.
 - *Households* caters for staff exit costs.

Table 5.10 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	17 182	16 976	20 433	34 201	36 160	20 203	36 185	38 211	40 313
Provinces and municipalities	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Motor vehicle licences	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Households	15 085	15 274	19 102	32 985	34 340	18 383	34 898	36 852	38 879
Staff exit costs	15 085	15 274	19 102	32 985	34 340	18 383	34 898	36 852	38 879
2. Public Ordinary School Education	1 571 969	1 573 083	1 585 607	1 547 867	1 375 867	1 422 336	1 579 596	1 670 293	1 764 360
Non-profit institutions	1 427 707	1 426 584	1 446 314	1 499 574	1 327 574	1 327 574	1 528 502	1 616 338	1 707 437
Section 21 schools	1 421 164	1 417 671	1 437 301	1 492 353	1 320 353	1 320 353	1 520 862	1 608 322	1 698 980
Section 20 schools	6 543	8 913	9 013	7 221	7 221	7 221	7 640	8 016	8 457
Households	144 262	146 499	139 293	48 293	48 293	94 762	51 094	53 955	56 923
Staff exit costs	144 262	146 499	139 293	48 293	48 293	94 762	51 094	53 955	56 923
3. Independent School Subsidies	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
Non-profit institutions	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
Independent schools	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
4. Public Special School Education	131 236	127 316	134 830	145 544	135 344	135 344	153 986	162 609	171 553
Non-profit institutions	127 801	123 927	130 964	143 819	133 619	133 619	152 161	160 682	169 520
Schools	127 801	123 927	130 964	143 819	133 619	133 619	152 161	160 682	169 520
Households	3 435	3 389	3 866	1 725	1 725	1 725	1 825	1 927	2 033
Staff exit costs	3 435	3 389	3 866	1 725	1 725	1 725	1 825	1 927	2 033
5. Early Childhood Development	30 506	17 475	19 002	30 528	30 528	30 761	33 459	36 453	38 458
Non-profit institutions	30 415	17 022	18 851	30 528	30 528	30 541	33 459	36 453	38 458
ECD centres	30 415	17 022	18 851	30 528	30 528	30 541	33 459	36 453	38 458
Households	91	453	151	-	-	220	-	-	-
Staff exit costs	91	453	151	-	-	220	-	-	-
6. Infrastructure Development	-	-	-	-	-	-	-	-	-
7. Examination and Education Related Services	36 032	96 024	104 752	94 762	88 762	93 150	93 910	99 169	104 623
Departmental agencies and accounts	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
ETDP SETA	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
Non-profit institutions	9 424	12 030	15 680	6 000	-	-	-	-	-
HIV and AIDS (Life Skills-Education) grant	9 424	12 030	15 680	6 000	-	-	-	-	-
Households	4 578	5 855	5 815	-	-	3 653	-	-	-
Staff exit costs	4 578	5 855	5 815	-	-	3 653	-	-	-
Total	1 857 892	1 908 152	1 945 524	1 938 940	1 752 699	1 787 832	1 988 164	2 102 860	2 220 718

- With regard to Programme 5, *Transfers and subsidies* relates to:
 - *Non-profit institutions* reflects payments to ECD centres. The growth over the 2018/19 MTEF relates to inflationary increases to make provision for transfers to ECD centres.
 - *Households* caters for staff exit costs.
- With regard to *Transfers and subsidies* in Programme 7:
 - Payments to the ETDP SETA are provided for against *Departmental agencies and accounts* in respect of the skills development levy.
 - *Non-profit institutions* previously made provision for the HIV and AIDS (Life-Skills Education) grant for transfer to schools in respect of the purchase of school uniform for orphans, etc. This transfer is discontinued from the 2017/18 Adjusted Appropriation and over the 2018/19 MTEF in line with the grant framework.
 - *Households* caters for staff exit costs.

8. Programme description

The services rendered by the department are categorised under seven programmes for the 2018/19 MTEF, which conform to the revised uniform budget and programme structure for the Education sector.

The payments and estimates for each programme are summarised in terms of sub-programmes and economic classification, and detailed in the *Annexure – Vote 5: Education*.

8.1 Programme 1: Administration

Programme 1 has five sub-programmes that are responsible for, the functioning of the Office of the MEC for Education, overall management of the education system, education management services for the education system, human resource development for office-based staff and Education Management Information System (EMIS).

Tables 5.11 and 5.12 reflect payments and budgeted estimates relating to this programme for the period 2014/15 to 2020/21.

Table 5.11 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	38 342	36 149	26 661	37 422	37 422	32 731	40 464	42 731	45 081
2. Corporate Services	772 244	900 927	989 833	733 715	869 273	991 898	1 072 660	1 118 262	1 163 489
3. Education Management	595 968	645 901	771 558	992 547	856 989	702 178	797 834	856 513	917 373
4. Human Resource Development	23 080	38 702	10 433	13 974	13 974	982	14 784	15 612	16 471
5. Education Management Information System (EMIS)	22 684	29 767	25 837	55 845	55 845	51 077	59 084	62 392	65 823
Total	1 452 318	1 651 446	1 824 322	1 833 503	1 833 503	1 778 866	1 984 826	2 095 510	2 208 237
Unauth. Exp. (1st charge) not available for spending	-	(31 892)	(31 893)	(31 893)	(31 893)	(31 893)	-	-	-
Baseline available for spending after 1st charge	1 452 318	1 619 554	1 792 429	1 801 610	1 801 610	1 746 973	1 984 826	2 095 510	2 208 237

Table 5.12 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 433 676	1 505 429	1 739 813	1 758 589	1 751 932	1 724 389	1 947 309	2 055 444	2 165 967
Compensation of employees	999 380	1 052 419	1 124 805	1 392 891	1 366 107	1 211 252	1 508 404	1 592 873	1 680 480
Goods and services	431 249	451 323	614 585	365 698	385 652	512 246	438 905	462 571	485 487
Interest and rent on land	3 047	1 687	423	-	173	891	-	-	-
Transfers and subsidies to:	17 182	16 976	20 433	34 201	36 160	20 203	36 185	38 211	40 313
Provinces and municipalities	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15 085	15 274	19 102	32 985	34 340	18 383	34 898	36 852	38 879
Payments for capital assets	1 460	97 149	32 183	8 820	13 518	2 381	1 332	1 855	1 957
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 460	97 149	32 128	8 820	13 380	2 243	1 332	1 855	1 957
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	55	-	138	138	-	-	-
Payments for financial assets	-	31 892	31 893	31 893	31 893	31 893	-	-	-
Total	1 452 318	1 651 446	1 824 322	1 833 503	1 833 503	1 778 866	1 984 826	2 095 510	2 208 237
Unauth. Exp. (1st charge) not available for spending	-	(31 892)	(31 893)	(31 893)	(31 893)	(31 893)	-	-	-
Baseline available for spending after 1st charge	1 452 318	1 619 554	1 792 429	1 801 610	1 801 610	1 746 973	1 984 826	2 095 510	2 208 237

As previously mentioned, the department is liable for the repayment of the previous year's over-expenditure, resulting in a first charge against the department's budget. The first charge is allocated under the sub-programme: Education Management against *Payments for financial assets*.

The sub-programme: Office of the MEC reflects steady growth over the 2018/19 MTEF and provides for various activities including communication through radio and television for broadcasting departmental programmes such as the unannounced school functionality monitoring, as well as community engagements. The sub-programme also provides for 508 bursaries offered to non-employees including 30 students who are studying in Turkey through a partnership between the department and a Turkish NGO, namely Horizon Education Trust, to train Maths and Science student teachers in that country.

The sub-programme: Corporate Services reflects strong growth from the 2017/18 Revised Estimate to 2018/19, mainly attributed to reprioritisation that was undertaken to cater for operating leases for office

buildings which were previously against Programme 6. Also, there were district administrative support staff which were erroneously paid against the sub-programme: Education Management and the movement of employees and the budget resulted in the high growth. The 2018/19 MTEF provides for computer services for SITA lines, property payments in respect of water and lights, maintenance costs of office buildings, legal services in respect of litigation cases against the department, as well as communication costs in respect of telephones and faxes. There is below inflation wage adjustment growth against *Compensation of employees* which effectively indicates that the department will not be able to fill any attrition posts.

The sub-programme: Education Management is inclusive of all costs related to education delivery requirements, such as district monitoring of school functionality, teaching and learning, as well as monitoring of the payment of office based educator salaries forms the bulk of the budget for this programme. The 2018/19 MTEF reflects a significant decrease mainly due to the previously mentioned movement of district administrative support staff who render education management functions to correctly align expenditure to the sub-programme: Corporate Services. Furthermore, the budget caters for travel and subsistence for monitoring in various district offices, communication costs such as telephone and fax in various district offices for office based educators, as well as training and guidance of educators in respect of curriculum changes. Furthermore, allocated against this sub-programme is the provision for the purchase of tools of trade such as computers and office furniture. The MTEF allocations include provision for filled posts only and do not provide for the filling of vacant posts.

The Human Resource Development sub-programme receives an allocation in line with the Skills Development Act for the training of administration support personnel on good governance and other policy developments. The steady growth over the MTEF is in line with the personnel budget.

The EMIS sub-programme provides for the roll-out of the South African Schools Administration and Management System (SA-SAMS) to enable the department to have up-to-date learner data. The programme has a strong EMIS focus to assist schools in the completion of the Annual School Survey together with the Learner Unit Record Information and Tracking System (LURITS). The 2018/19 MTEF provides for the maintenance of these systems in order to ensure that accurate school information is provided by the schools.

Compensation of employees shows significant growth above inflation in 2018/19 mainly ascribed to the fact that the department held back on the filling of posts in 2017/18 due to inadequate provision of the annual salary increment across all programmes. The budget growth is below inflation in the two outer years which makes it difficult for the department to fill attrition posts, as well as vacant school support posts. Therefore, the growth over the 2018/19 MTEF relates to the carry-through costs for filled posts in respect of district monitoring staff such as office based educators, etc.

Note that additional funding was allocated in the 2011/12 MTEF for improving infrastructure support. As mentioned earlier, this funding was specifically and exclusively appropriated and the department has filled administrative support staff posts who assist the Works Inspectors. The department envisages the filling of vacant Works Inspector posts over the 2018/19 MTEF. Amounts of R11.937 million, R12.605 million and R13.298 million remain ring-fenced within this category for this purpose over the three years of the 2018/19 MTEF against the sub-programme: Education Management.

Goods and services is high in the 2017/18 Revised Estimate mainly ascribed to pressures in respect of computer services, property payments, communication and bursaries for non-employees. The 2018/19 MTEF reflects a steady inflationary increase in respect of these operational costs.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences.

Transfers and subsidies to: Households caters for staff exit costs over the 2018/19 MTEF.

Machinery and equipment reflects negative growth in 2017/18 mainly ascribed to the replacement of redundant vehicles and other tools of trade such as computers and office furniture in 2015/16 and 2016/17. The steady growth in the two outer years is to replace redundant office equipment and furniture.

Service delivery measures: Administration

Table 5.13 illustrates the main service delivery measures relevant to Programme 1.

The department has complied with the service delivery measures as prescribed by the Education sector. It is noted that almost all the targets over the MTEF remain constant.

Table 5.13 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
To bring effective management to all levels of the system	• No. of public schools that use the school administration and management systems to electronically provide data to the national learner tracking system	6 023	5 995	5 995	5 995
	• No. of public schools that can be contacted electronically (e-mail)	3 310	5 995	5 995	5 995
	• % of education current expenditure going towards non-personnel items	8.07%	8.04%	8.05%	8.05%
	• % of schools visited at least twice a year by district officials for monitoring and support purposes	6 023	100%	100%	100%

8.2 Programme 2: Public Ordinary School Education

This programme houses the core function of the department, and its aim is the provision of public ordinary schools from Grades 1 to 12, in accordance with the South African Schools Act. This programme has six sub-programmes, which have the following objectives:

- To provide specific public primary ordinary schools with resources for the Grade 1 to 7 levels.
- To provide specific public secondary ordinary schools with resources for the Grade 8 to 12 levels.
- To provide departmental services for the professional and other development of educators and non-educators in public ordinary schools.
- Human resource development for educators and non-educators.
- To provide additional and departmentally managed sporting and cultural activities in public ordinary schools.
- To provide for various national projects that are funded through conditional grants, namely NSNP grant, MST grant, Social Sector EPWP Incentive Grant for Provinces, and the EPWP Integrated Grant for Provinces.

Tables 5.14 and 5.15 reflect payments and budgeted estimates for the period 2014/15 to 2020/21. This programme includes the budget for educators, i.e. salaries and professional development needs. The largest portion of the budget under this programme is allocated to the sub-programme: Public Primary Schools, in proportion to the number of institutions in this sub-programme, as well as the number of learners attending these schools. The specific conditional grants are reflected as sub-programmes.

Table 5.14 : Summary of payments and estimates by sub-programme: Public Ordinary School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
1. Public Primary Level	18 419 393	20 010 491	21 245 180	23 208 255	22 910 255	22 660 772	24 613 295	26 103 872	28 092 784
2. Public Secondary Level	13 022 239	14 281 717	15 312 389	15 002 176	15 051 176	15 927 777	16 222 290	17 254 609	18 688 609
3. Human Resource Development	68 684	68 369	175 847	170 177	70 177	80 632	130 917	141 888	152 442
4. School Sport, Culture and Media Services	33 773	33 513	50 012	54 811	54 811	38 670	34 886	37 720	39 795
5. Conditional grants	1 334 836	1 394 927	1 340 653	1 518 555	1 635 362	1 635 362	1 625 085	1 676 260	1 793 183
National School Nutrition Programme (NSNP) grant	1 253 708	1 326 761	1 246 976	1 450 087	1 566 894	1 566 894	1 534 878	1 611 622	1 726 104
EPWP Integrated Grant for Provinces	-	2 644	2 844	2 000	2 000	2 000	2 000	-	-
Social Sector EPWP Incentive Grant for Provinces grant	5 518	3 000	27 365	4 808	4 808	4 808	27 004	-	-
Maths, Science and Technology (MST) grant	75 610	62 522	63 468	61 660	61 660	61 660	61 203	64 638	67 079
Total	32 878 925	35 789 017	38 124 081	39 953 974	39 721 781	40 343 213	42 626 473	45 214 349	48 766 813

Table 5.15 : Summary of payments and estimates by economic classification: Public Ordinary School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	31 305 662	34 215 903	36 538 460	38 375 267	38 305 074	38 879 843	41 028 695	43 526 474	46 984 871
Compensation of employees	29 004 902	31 252 905	33 747 306	35 816 821	35 561 821	36 335 724	38 152 894	40 502 461	43 765 340
Goods and services	2 300 689	2 826 753	2 791 053	2 558 446	2 743 253	2 544 108	2 875 801	3 024 013	3 219 531
Interest and rent on land	71	136 245	101	-	-	11	-	-	-
Transfers and subsidies to:	1 571 969	1 573 083	1 585 607	1 547 867	1 375 867	1 422 336	1 579 596	1 670 293	1 764 360
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 427 707	1 426 584	1 446 314	1 499 574	1 327 574	1 327 574	1 528 502	1 616 338	1 707 437
Households	144 262	146 499	139 293	48 293	48 293	94 762	51 094	53 955	56 923
Payments for capital assets	1 294	31	14	30 840	40 840	41 034	18 182	17 582	17 582
Buildings and other fixed structures	1 294	-	-	10 000	10 000	10 000	-	-	-
Machinery and equipment	-	31	14	16 840	26 240	26 434	14 182	13 582	13 582
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	4 000	4 600	4 600	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	32 878 925	35 789 017	38 124 081	39 953 974	39 721 781	40 343 213	42 626 473	45 214 349	48 766 813

This programme comprises the largest share, on average, of at least 84 per cent of the department's allocation. Over the seven-year period, the budget grows significantly, while spending pressures in respect of *Compensation of employees* are expected to remain over the 2018/19 MTEF. The department undertook reprioritisation from *Goods and services* and *Transfers and subsidies to: Non-profit institutions* over the MTEF. This was to provide for the sanitary towel distribution programme estimated at R40 million in each year of the MTEF. In aggregate, the growth in 2018/19 and 2019/20 is below inflation, and this will create further pressures, should future wage agreements be above the current estimates. The inflationary growth in the outer year is mainly due to the additional funding for the above-budget wage agreement.

The Public Primary Level and Public Secondary Level sub-programmes increase steadily over the seven-year period, largely influenced by the various wage agreements. The steady growth over the 2018/19 MTEF is due to the learner transport function which is shifted back to the department from 2018/19 onwards and is catered for under both sub-programmes. The department indicated that the number of learners which will benefit from the learner transport services still remains at 47 747 in 320 schools. However, over and above the 47 747 learners expected to be transported in 2018/19, there is an additional 2 933 that will be added in the programme as a result of the 12 Nquthu schools which must be included resulting from the court order, as previously explained. This will result in pressures in-year, and the shortfall estimated at R155 million will need to be addressed by internal reprioritisation. The growth in 2020/21 is largely influenced by the additional funding for the above-budget wage agreement, as explained previously.

Also included under the two sub-programmes is provision for the purchase of LTSM, transfers to schools to provide inclusive education, as well as the sanitary towel distribution programme. Given the current pressure on the fiscus, the department will continue to ensure that the implementation of the PPN responds adequately and effectively to the teaching needs of every school. Adequate funding is also allocated for the provision of textbooks and stationery to all public schools. Processes for procurement of textbooks and stationery start early in the calendar year to ensure that schools receive their learner materials before the commencement of the new school year. Additional resources will also be provided to schools through curriculum delivery. These will include, among others, kits for learners who are enrolled in Mathematics and Science, as well as consumables for practical work.

The Human Resource Development sub-programme largely provides for the Skills Development Act in respect of the training of circuit managers, school management teams and educators on good governance, curriculum and ethics. The allocation grows steadily over the 2018/19 MTEF in line with the personnel budget.

Reprioritisation was undertaken against the School Sport, Culture and Media Services sub-programme over the 2018/19 MTEF to address pressures in other areas. The MTEF provision will enable the department to deliver on its social cohesion goal through the promotion of sports, arts and culture. This includes travelling costs, purchases of sports kits and personnel costs.

The NSNP grant reflects strong growth over the seven-year period, in order to allow quintiles 1 - 5 schools to feed on days as dictated by the conditions of the grant. The growth over the 2018/19 MTEF is largely to accommodate inflationary costs, with additional funding provided in the outer year of the MTEF with regard to food price inflation. This grant is protected from any budget cuts.

The EPWP Integrated Grant for Provinces is aimed at utilising community members to work on infrastructure projects, where appropriate, thus assisting with job creation and poverty alleviation. The department has spent the full grant allocation since its inception.

The Social Sector EPWP Incentive Grant for Provinces reflects a significant increase in 2018/19 compared to 2017/18. This grant was utilised for the appointment of Food Handlers and Data Capturers for the NSNP grant programme, as well as utilising community members in social projects such as gardening in schools or crèches, and some who teach at crèches, thus assisting in job creation and poverty alleviation. Also, in 2018/19, this grant will be utilised towards social projects such as the payment of community members or ECD Practitioners who teach in crèches, as well as Chief Food Handlers.

The MST grant combines the outcomes of the Dinaledi and Technical Secondary Schools Recapitalisation grants. There has been slow progress in respect of spending on this grant, mainly related to SCM challenges which have resulted in non-spending of the training and development allocation. The 2018/19 MTEF allocation grows steadily and will be utilised to assist schools focussing on Maths, Science and Technology, training and development of educators on teaching methodologies, as well as the purchase of workshop tools in technical schools.

Compensation of employees reflects below inflation growth in 2018/19 influenced largely by the carry-through of the budget cuts in respect of the PES and Provincial Own Revenue changes. The strong growth in 2020/21 is attributed to additional funding in respect of the above-budget wage agreement. It is imperative that the department implements the Provincial Executive Council decision to comprehensively cost its establishment in order to determine how many posts can be afforded with the available budget. The year-on-year budget growth over the 2018/19 MTEF is below the rates prescribed by National Treasury which were set at 8 per cent in 2018/19 and 2020/21, while 2019/20 is at 7.8 per cent. However, this programme's *Compensation of employees* budget grows by 5.9 per cent, 6.1 per cent and 7.7 per cent over the 2018/19 MTEF. The low growth from 2017/18 to 2018/19 translates to an estimated budget shortfall of R534.538 million, while the below inflation growth from 2018/19 to 2019/20 translates to a budget shortfall of R733.757 million. It should be noted that, although additional funding from National Treasury in respect of the above-budget wage agreement was allocated against this programme, the growth remains below the prescribed wage adjustment projections.

Goods and services reflects high growth in 2018/19 mainly related to the reprioritisation undertaken to provide for various activities, including the sanitary towel distribution programme in public ordinary schools. The department will utilise the *Goods and services* budget for purchasing LTSM for schools, training circuit managers, school management teams and educators on good governance, curriculum and ethics, school feeding through the NSNP grant, funding the management fee for LTSM purchased on behalf of schools through the management agent, property payments, learner transport services, etc.

Transfers and subsidies to: Non-profit institutions mainly reflects payments in respect of norms and standards to all public ordinary schools, which is influenced by learner numbers. The national norms for school funding recommend that a learner in a no-fee school is funded at R1 316 per learner. However, due to budgetary constraints, the department is still funding quintiles 1 - 3 at R955 per learner. The low 2017/18 Revised Estimate relates to S21(c) schools who opted to purchase LTSM *via* the management agent. The largest share of the 2018/19 MTEF budget provides for the transfers in respect of S21 schools for norms and standards in order for schools to purchase LTSM and operational costs such as domestic accounts, cleaning detergents, etc.

Transfers and subsidies to: Households relates to staff exit costs.

Buildings and other fixed structures fluctuates over the period. The allocation for this category is reflected against Programme 6 from 2016/17 onwards due to the sectoral budget programme structure changes. The comparatives have been restated in respect of equitable share allocation only. The R1.294 million in 2014/15 provided for the construction of workshops in technical schools, while R10 million in 2017/18 provides for the purchase of 65 mobile kitchens in respect of the NSNP grant.

Machinery and equipment provides for procurement relating to the various conditional grants, such as computer hardware, woodwork equipment, workshop equipment and laboratory equipment in respect of the MST grant, as well as vehicles for monitoring school feeding in respect of the NSNP grant.

Software and other intangible assets remains constant over the 2018/19 MTEF and provides for the acquisition of ICT and connectivity in schools.

Service delivery measures: Public Ordinary School Education

Table 5.16 illustrates the main service delivery measures relevant to Programme 2. The performance indicators provided comply fully with the customised measures for the Education sector.

Table 5.16 : Service delivery measures: Public Ordinary School Education

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
To provide access in the public ordinary schooling system in accordance with policy	• No. of full service schools servicing learners with learning barriers	125	101	101	101	
	• % of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or a higher grade)	71%	69%	69%	69%	
	• % of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or higher grade)	56.5%	62.5%	62.4%	62.4%	
	• No. of schools provided with multi-media resources	650	700	750	800	
	• Learner absenteeism rate	4%	1.2%	1.2%	1.2%	
	• Teacher absenteeism rate	6%	0.2%	0.2%	0.2%	
	• No. of learners in public ordinary schools benefitting from the "No Fee Schools" policy	2 000 070	1 990 795	1 990 795	1 990 795	
	• No. of educators trained in Literacy/Language content and methodology	42 504	39 228	39 228	39 228	
	• No. of educators trained in Numeracy/Mathematics content and methodology	42 504	27 478	27 478	27 478	

8.3 Programme 3: Independent School Subsidies

The purpose of this programme is to support independent schools, in accordance with the South African Schools Act. One of the main aims of this programme is to ensure timeous and orderly registration of independent schools in terms of the South African Schools Act, as well as other legislative frameworks. These schools are evaluated and monitored by the department, and their capacity is developed to ensure the effective functioning of these schools and their governing bodies.

Tables 5.17 and 5.18 reflect the summary of payments and estimates relating to this programme.

Independent schools provide education and training to learners in the same way as public schools do, but are not governed by the same legislation as public schools. For quality purposes, independent schools are registered with the Association for Independent Schools, and have an Independent Examination Board.

Table 5.17 : Summary of payments and estimates by sub-programme: Independent School Subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Primary Level	46 221	47 795	52 153	52 799	52 799	52 799	55 861	58 989	62 233
2. Secondary Level	24 746	29 483	28 747	33 239	33 239	33 239	35 167	37 136	39 178
Total	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411

Table 5.18 : Summary of payments and estimates by economic classification: Independent School Subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411

The growth from 2014/15 to 2020/21 is reflective of the inflationary increases allocated to this programme. The allocation over the 2018/19 MTEF provides the 29 314 learners independent schools.

Service delivery measures: Independent School Subsidies

Table 5.19 illustrates the main sector specific service delivery measures relevant to Programme 3. It is noted that all the targets over the MTEF remain at the same level as 2017/18 and are in line with the sector specific measures.

Table 5.19 : Service delivery measures: Independent School Subsidies

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
To ensure that quality education occurs in independent schools	• % of registered independent schools receiving subsidies	53%	53%	53%	53%	
	• No. of subsidised learners in registered independent schools	29 314	29 314	29 314	29 314	
	• % of registered independent schools visited for monitoring and support	100%	100%	100%	100%	

8.4 Programme 4: Public Special School Education

The purpose of this programme is to provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on Inclusive Education. The sub-programmes are aimed at providing:

- Specific public special schools with resources.
- Educators and learners in public special schools with departmentally managed support services.
- Departmental services for the professional and other development of educators and non-educators in public special schools.
- Additional and departmentally managed sporting and cultural activities in public special schools.

To date, the department has 72 registered special schools, but more than 60 per cent of these are in urban areas. Furthermore, special schools are not inclusive and only admit learners according to the disability category that the school is registered for, thus excluding a number of learners who do not meet the requirement in terms of the admission policies. This programme administers one grant over the 2018/19 MTEF. Tables 5.20 and 5.21 reflect payments and budgeted estimates for the period under review.

Table 5.20 : Summary of payments and estimates by sub-programme: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Schools	847 132	929 248	1 047 901	1 076 320	1 069 320	1 105 865	1 132 330	1 196 132	1 262 304
2. Human Resource Development	-	-	42	7 931	7 931	660	8 391	8 861	9 348
3. Conditional grants	41 581	13 079	-	5 558	5 558	5 558	27 230	33 279	35 586
OSD for Education Sector Therapists grant	41 581	13 079	-	-	-	-	-	-	-
Learners with Profound Intellectual Disabilities grant	-	-	-	5 558	5 558	5 558	27 230	33 279	35 586
Total	888 713	942 327	1 047 943	1 089 809	1 082 809	1 112 083	1 167 951	1 238 272	1 307 238

Table 5.21 : Summary of payments and estimates by economic classification: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	755 452	815 011	898 518	944 265	946 356	975 630	1 009 403	1 070 183	1 129 903
Compensation of employees	747 935	813 764	897 252	931 888	935 088	966 211	996 044	1 055 300	1 114 202
Goods and services	7 517	1 247	1 266	12 377	11 268	9 419	13 359	14 883	15 701
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	131 236	127 316	134 830	145 544	135 344	135 344	153 986	162 609	171 553
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	127 801	123 927	130 964	143 819	133 619	133 619	152 161	160 682	169 520
Households	3 435	3 389	3 866	1 725	1 725	1 725	1 825	1 927	2 033
Payments for capital assets	2 025	-	14 595	-	1 109	1 109	4 562	5 480	5 782
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 025	-	14 595	-	1 109	1 109	4 562	5 480	5 782
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	888 713	942 327	1 047 943	1 089 809	1 082 809	1 112 083	1 167 951	1 238 272	1 307 238

The programme reflects healthy growth over the seven-year period, indicative of the department's focus on granting access to education for learners with special needs.

The sub-programme: Schools shows an upward trend over the period. The 2018/19 MTEF budget growth for *Compensation of employees* is below the prescribed inflationary annual salary increment. This indicates that the budget pressures projected in 2017/18 will continue over the MTEF. The transfers to special schools provide for operational costs, including the purchase of LTSM.

The Human Resource Development sub-programme grows steadily over the 2018/19 MTEF in line with the personnel budget. The budget provides for the training of education specialists in special schools in areas such as Screening Identification Assessment and Support which is training that will assist educators to identify and assist learners with disabilities. There has been low spending in this sub-programme from 2014/15 to the 2017/18 Revised Estimate mainly due to enforced savings in order to offset budget pressures within the Vote.

The OSD for Education Sector Therapists grant is phased into the equitable share with effect from 2016/17, hence, there is no further allocation over this period against the conditional grant sub-programme, with this grant included against the sub-programme: Schools from 2016/17 onward.

The Learners with Profound Intellectual Disabilities grant was introduced in 2017/18. As explained, this allocation was utilised to employ Therapists, Chief psychologists, as well as Deputy Chief Education Specialists. The 2018/19 MTEF provides for travelling and accommodation by the outreach teams (Therapists and Psychologists) in the province to monitor the DSD care centres for children with profound disabilities, who are severely intellectually challenged and therefore cannot attend a normal special school. Also, the allocation provides for the purchase of tools of trade such as computer laptops and office furniture, as well as vehicles.

Compensation of employees reflects an upward trend, influenced by the implementation of various wage agreements and OSD for educators over the years. As previously mentioned, the 2018/19 MTEF reflects below prescribed inflationary annual salary increments at 3.1, 5.9 and 5.6 per cent over the MTEF and this indicates that the department cannot afford to fill any vacant posts or implement any pay progression.

Goods and services experienced fluctuations between 2014/15 to 2020/21. The 2017/18 Revised Estimate is mainly due to enforced savings implemented by the department in order to reduce the projected over-spending as per the resolution taken by the Executive Council. The significant increase from 2017/18 to 2018/19 is due to the Learners with Profound Intellectual Disabilities grant allocation, with this category providing for the purchase of LTSM and training and development of education specialists.

Transfers and subsidies to: Non-profit institutions reflects an upward trend over the period. The 2017/18 Revised Estimate relates to schools which did not comply with transfer requirements. The allocation over the 2018/19 MTEF relates to transfers to special schools for the purchase of LTSM and operational costs.

Transfers and subsidies to: Households relates to staff exit costs.

Machinery and equipment caters for the purchase of buses for special schools in 2016/17. The 2018/19 MTEF provides for purchases of tools of trade and vehicles.

Service delivery measures: Public Special School Education

Table 5.22 illustrates the main sector specific service delivery measures relevant to Programme 4.

Table 5.22 : Service delivery measures: Public Special School Education

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
To provide access to mainstream schools, full service schools and special schools in accordance with policy and the principles of inclusive education	• No. of therapists/specialist staff in public special schools	151	198	211	212	
	• No. of learners in public special schools	18 996	19 020	19 055	19 090	
	• % of special schools serving as Resource Centres	36%	37%	38%	39%	

8.5 Programme 5: Early Childhood Development

The objective of this programme is to provide ECD at the Grade R and earlier levels in accordance with White Paper 5 on ECD. The main services are:

- To provide specific public ordinary schools with resources required for Grade R.
- To support particular community centres at the Grade R level.
- To provide particular sites with resources required for pre-Grade R.
- To provide educators and learners in ECD sites with departmentally managed support services.
- To provide departmental services for the professional and other development of educators and non-educators in ECD sites.

Tables 5.23 and 5.24 reflect payments and budgeted estimates for the period. The budget for this programme has grown substantially from 2014/15 to 2020/21. This growth reflects the focus of the sector toward universal access to Grade R. The sub-programmes within this programme fluctuate over the seven-year period, as explained below the table.

Table 5.23 : Summary of payments and estimates by sub-programme: Early Childhood Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Grade R in Public Schools	426 251	478 286	858 448	738 461	1 144 461	903 389	1 185 324	1 229 215	1 274 493
2. Grade R in Early Childhood Development Centres	54 209	74 531	70 612	22 596	22 596	72 817	23 907	25 246	26 634
3. Pre-Grade R Training	25 663	50 854	44 463	58 449	58 449	23 574	64 745	68 122	71 869
4. Human Resource Development	-	-	-	6 089	6 089	-	6 442	6 803	7 177
Total	506 123	603 671	973 523	825 595	1 231 595	999 780	1 280 418	1 329 386	1 380 173

Table 5.24 : Summary of payments and estimates by economic classification: Early Childhood Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	475 617	586 196	954 521	795 067	1 201 067	969 019	1 246 959	1 292 933	1 341 715
Compensation of employees	471 467	508 269	874 192	674 100	1 080 100	941 378	1 120 137	1 160 129	1 201 607
Goods and services	4 150	77 927	80 329	120 967	120 967	27 641	126 822	132 804	140 108
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	30 506	17 475	19 002	30 528	30 528	30 761	33 459	36 453	38 458
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	30 415	17 022	18 851	30 528	30 528	30 541	33 459	36 453	38 458
Households	91	453	151	-	-	220	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	506 123	603 671	973 523	825 595	1 231 595	999 780	1 280 418	1 329 386	1 380 173

The sub-programme: Grade R in Public Schools increases steadily from 2014/15 to 2020/21, largely due to the various wage agreements and the implementation of the progressively increasing payments to ECD Practitioners. The 2018/19 MTEF caters for the stipends for ECD Practitioners, the purchase of LTSM *via* the management agent to ensure consistency in the material procured, as well as transfers to schools.

The Grade R in Early Childhood Development Centres sub-programme fluctuates over the seven-year period. The policy (White Paper 5 on ECD) allows for a maximum of 15 per cent of the budget to be allocated toward Grade R in community centres, and the department is within this threshold. The allocation for these centres is largely to provide for the stipends that are payable to the practitioners at a rate of R6 500 per month. Funding has been allowed for the training requirements of these practitioners, as well as the fact that some of the crèches were developed as model crèches, and hence will be supplied with the required equipment and materials.

The responsibility of the department, as far as the Pre-Grade R sub-programme is concerned, is to offer training (skills training to ECD management staff, and other personnel such as care-givers and support staff working in the crèches) and, as such, the budget that is provided in this regard is for that purpose. The allocation over the 2018/19 MTEF is in line with the objectives of this sub-programme in terms of purchasing toolkits (teachers' guides, lesson plans, etc.) for training.

The Human Resource Development sub-programme's budget is allocated to priorities such as encouraging the uptake of bursaries with regard to employees that wish to focus on ECD, and thus counter the shortage of qualified educators in this area. The MTEF allocations are in line with the Skills Development Act.

The increase in *Compensation of employees* over the seven-year period is influenced by the progressive increases that were made to the monthly stipends of ECD Practitioners. The growth over the 2018/19 MTEF includes 1 326 ECD educators who were previously paid against Programmes 2 and 4 and were correctly moved to this programme. However, it is noted that the budget growth in the two outer years is below National Treasury's prescribed annual salary increments of 7.8 per cent in 2019/20 and 8 per cent in 2020/21, growing at 3.6 per cent, respectively, which will result in budget pressures.

Goods and services fluctuates over the period. The MTEF provides for various training needs and for the procurement of the necessary toolkits for all sub-programmes in this programme, the purchase of furniture such as classroom chairs, tables and combination desks, as well as LTSM needs for Grade R classes.

Transfers and subsidies to: Non-profit institutions provides for transfers to schools for the purchase of LTSM and other operational costs.

Transfers and subsidies to: Households relates to staff exit costs.

Service delivery measures: Early Childhood Development

Table 5.25 illustrates the main sector specific service delivery measures relevant to Programme 5. There is one measure that was introduced in 2018/19 indicated as “New” in the 2017/18 Estimated performance.

Table 5.25 : Service delivery measures: Early Childhood Development

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
To provide publicly funded Grade R in accordance with policy	• No. of public schools that offer Grade R	3 996	3 996	3 997	3 998
	• % of Grade 1 learners who have received formal Grade R education	97.2%	97.2%	97.3%	97.4%
	• No. and % of Grade R practitioners with NQF level 6 and above qualification each year	New	1 651	1 651	1 651

8.6 Programme 6: Infrastructure Development

The aim of this programme is to provide and maintain infrastructure facilities for the administration and schools. It thus reflects the implementation of infrastructure across all affected programmes.

Tables 5.26 and 5.27 reflect the summary of payments and estimates relating to this programme.

The allocation for this programme grows steadily over the period, due to the EIG grant allocation. This grant supplements the existing infrastructure equitable share budgets and functions. The EIG accounts for an average of 86 per cent of this programme while the PES accounts for an average of 14 per cent of this programme’s budget over the 2018/19 MTEF.

Table 5.26 : Summary of payments and estimates by sub-programme: Infrastructure Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	161 774	60 546	298 692	95 276	95 276	95 276	85 519	91 831	136 120
2. Public Ordinary Schools	1 734 090	2 222 765	2 109 678	1 787 043	1 893 730	1 992 850	1 923 386	1 889 112	2 002 897
3. Special Schools	81 714	161 126	64 879	197 934	197 934	179 934	128 908	109 949	207 616
4. Early Childhood Development	233 502	169 628	120 196	227 894	227 894	146 774	48 794	62 962	26 197
Total	2 211 080	2 614 065	2 593 445	2 308 147	2 414 834	2 414 834	2 186 607	2 153 854	2 372 830

Table 5.27 : Summary of payments and estimates by economic classification: Infrastructure Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	194 504	270 661	422 756	490 276	589 396	589 396	449 916	461 975	478 429
Compensation of employees	-	11 505	19 351	28 276	28 276	28 276	29 916	31 591	34 118
Goods and services	194 504	259 156	403 405	462 000	561 120	561 120	420 000	430 384	444 311
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 016 576	2 343 404	2 170 689	1 817 871	1 825 438	1 825 438	1 736 691	1 691 879	1 894 401
Buildings and other fixed structures	2 016 576	2 343 404	2 170 374	1 817 871	1 825 438	1 825 438	1 736 691	1 691 879	1 894 401
Machinery and equipment	-	-	123	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	192	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 211 080	2 614 065	2 593 445	2 308 147	2 414 834	2 414 834	2 186 607	2 153 854	2 372 830

The sub-programme: Administration reflects a fluctuating trend from 2014/15 to 2020/21, largely due to the re-direction of the budget to Public Ordinary Schools, to address spending pressures caused by the high demand for the rehabilitation of schools. The downward trend is also apparent in the budget allocation for 2018/19, due to the reduction of the operating leases allocation which was reprioritised to Programme 1 for effective reporting, as management of office leases and accommodation is managed in that programme. Also, the 2018/19 MTEF provides for *Compensation of employees* for officials appointed through DORA. Out of 69 posts which were advertised, the department has filled 52 posts, and five posts are awaiting approval for appointment. The recruitment process is at an advanced stage as the selection and interview for 12 posts has commenced. Appointments are anticipated at the beginning of 2018/19, and this includes Chief Director – IDMS Technical Advisor, as previously explained.

The Public Ordinary Schools sub-programme consumes the largest portion of the infrastructure budget. This sub-programme has felt the effect of enforced savings, as an amount of R860 million was moved in 2014/15 in order to cater for spending pressures that arose from *Compensation of employees* because of historical wage agreement pressures. The allocation over the 2018/19 MTEF fluctuates, due to the additional funding of R50 million provided in 2017/18 for the improvement of water and sanitation in schools, as well as the incentive portion provided for the EIG. The decrease in 2018/19 is due to fiscal consolidation cuts against the EIG grant, with the cut being most significant in 2019/20. The 2018/19 MTEF largely makes provision for *Upgrades and additions: Capital, Refurbishment and rehabilitation: Capital*, as well as the construction of new schools. This includes major upgrades and additions to deteriorating infrastructure conditions and addressing of overcrowding in schools, as well as hiring of chemical toilets for schools which have inadequate sanitation facilities.

The Special School sub-programme reflects negative growth in 2018/19 compared to the 2017/18 Revised Estimate. This relates to the previously mentioned effect of the reduction in the equitable share portion of the budget, as well as the reprioritisation undertaken to address overcrowding in public ordinary schools. These funds were reduced mainly from projects which are in the feasibility and design phase. The significant growth in the outer year relates to the focus on special schools for which the feasibility and design phases, as well as the tender processes have already been completed.

The Early Childhood Development sub-programme reflects a fluctuating trend relating to the reprioritisation undertaken from this sub-programme to the Public Ordinary Schools sub-programme, mainly from projects which were in the feasibility and design phase. Also, the 2018/19 MTEF addresses the White Paper 5 on ECD to provide and maintain Grade R facilities. A total of 52 ECD projects are under construction and will be completed in 2018/19.

Compensation of employees budget growth is below the prescribed National Treasury guidelines of increments of 8 per cent in 2018/19 and 2020/21, and 7.8 per cent in 2019/20. The programme growth is low at 5.8 per cent, 5.6 per cent and 8 per cent, respectively. As mentioned, there is equitable share funding in Programme 1 which is specifically and exclusively allocated for improving infrastructure support, amounting to R11.937 million, R12.605 million and R13.298 million over the MTEF. Out of 69 posts which were advertised, the department has filled 52 posts, and five posts are awaiting approval for appointment. The recruitment process is at an advanced stage, as the selection and interview for 12 posts has commenced. Appointments are anticipated at the beginning of 2018/19, and this includes Chief Director – IDMS Technical Advisor, as previously explained.

Goods and services caters for the maintenance and repairs allocation, including provision for the hiring of chemical toilets and desludging of pit toilets for public ordinary schools, as well as professional services for projects that are managed internally. The negative growth in 2018/19 from the high 2017/18 Revised Estimate relates to the reprioritisation undertaken in order to adequately fund office building leases for various departmental office buildings in districts and head office which has been moved to Programme 1, as well as maintenance costs to address maintenance needs in various schools. The EIG framework provides that 20 per cent should be allocated for maintenance, and hence the reprioritisation undertaken. The department would like to limit major rehabilitation costs by ensuring that schools are maintained on a continuous basis. As such, a total of 405 schools will be undergoing scheduled maintenance in 2018/19.

Buildings and other fixed structures fluctuates over the period, largely due to funding in respect of the EIG and baseline reduction, as previously mentioned. The 2018/19 MTEF amounts are largely based on the grant allocation, as well as additional funding related to disaster relief for wind and flood damaged schools. The negative growth in the first two years of the MTEF relates to the reduction in the EIG allocation due to fiscal consolidation budget cuts. The department is planning to complete 10 new schools in 2018/19 as part of implementing norms and standards. New schools to be completed in 2018/19 include Goodhome secondary school in uThukela district, Mbongeleni primary school in uMzinyathi district, Siphumelele secondary school in King Cetshwayo district, etc. The infrastructure section of this chapter provides details of the infrastructure projects to be undertaken, as does the 2018/19 ECE.

Machinery and equipment caters mainly for office furniture and equipment. In 2016/17 the department purchased office furniture and equipment for employees appointed in terms of DORA. However, there is no further allocation over the MTEF due to budget constraints.

Service delivery measures: Infrastructure Development

Table 5.28 shows the main sector specific service delivery measures relevant to Programme 6.

Table 5.28 : Service delivery measures: Infrastructure Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
To put in place basic infrastructure for schooling in accordance with policy	• No. of public ordinary schools provided with water supply	150	150	200	180	
	• No. of public ordinary schools provided with electricity supply	150	100	20	20	
	• No. of public ordinary schools supplied with sanitation facilities	150	150	170	180	
	• No. of additional classrooms built in public ordinary schools	400	350	400	420	
	• No. of additional specialist rooms built in public ordinary schools (incl. replacement schools)	100	110	120	125	
	• No. of new schools completed and ready for occupation (incl. replacement schools)	10	10	10	10	
	• No. of new schools under construction (incl. replacement schools)	18	15	16	18	
	• No. of new or additional Grade R classrooms built (incl. replacement schools)	120	70	50	50	
	• No. of hostels built	2	2	2	2	
	• No. of schools in which scheduled maintenance was completed	300	320	370	385	

8.7 Programme 7: Examination and Education Related Services

The purpose of Programme 7 is to provide examination support services to learners in the relevant grades, and ensure quality in the provision of education, through quality assurance. The objectives are as follows:

- To provide the education institutions as a whole with training and professional support.
- To provide employee human resource development in accordance with the Skills Development Act.
- To provide for special departmentally managed intervention projects in the education system.
- To provide for departmentally managed examination services.

Tables 5.29 and 5.30 reflect payments and estimates relating to this programme.

Table 5.29 : Summary of payments and estimates by sub-programme: Examination and Education Related Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Payments to SETA	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
2. Professional Services	574 916	585 913	621 394	626 417	626 417	626 949	661 589	698 638	737 063
3. External Examinations	598 321	699 302	556 513	608 239	758 239	779 041	751 958	797 841	836 772
4. Conditional Grants	85 683	55 376	55 074	56 115	56 115	56 115	58 922	62 155	65 450
HIV and AIDS (Life-Skills Education) grant	85 683	55 376	55 074	56 115	56 115	56 115	58 922	62 155	65 450
Total	1 280 950	1 418 730	1 316 238	1 379 533	1 529 533	1 551 602	1 566 379	1 657 803	1 743 908

Table 5.30 : Summary of payments and estimates by economic classification: Examination and Education Related Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 244 138	1 322 381	1 211 158	1 284 771	1 440 771	1 458 248	1 472 469	1 558 634	1 639 285
Compensation of employees	814 254	888 218	945 489	1 025 309	1 020 571	1 015 929	1 083 548	1 145 861	1 207 039
Goods and services	429 883	434 163	265 665	259 462	420 200	442 314	388 921	412 773	432 246
Interest and rent on land	1	-	4	-	-	5	-	-	-
Transfers and subsidies to:	36 032	96 024	104 752	94 762	88 762	93 150	93 910	99 169	104 623
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	9 424	12 030	15 680	6 000	-	-	-	-	-
Households	4 578	5 855	5 815	-	-	3 653	-	-	-
Payments for capital assets	780	325	328	-	-	204	-	-	-
Buildings and other fixed structures	-	208	-	-	-	-	-	-	-
Machinery and equipment	780	117	328	-	-	204	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 280 950	1 418 730	1 316 238	1 379 533	1 529 533	1 551 602	1 566 379	1 657 803	1 743 908

The Payments to SETA sub-programme reflects a steady increase, as it is linked to the department's personnel budget. However, from 2015/16, a directive was issued by the DPSA to the effect that 30 per cent of the skills levy should be allocated to the ETDP SETA, hence the increase over the 2018/19 MTEF.

The Professional Services sub-programme fluctuates, largely influenced by *Compensation of employees*. The 2017/18 Revised Estimate is higher than the Adjusted Appropriation due to travelling to monitor schools in respect of curriculum delivery. The MTEF allocation grows steadily. This sub-programme provides for professional or advisory services and visits to schools for support and monitoring in areas such as enhancement of curriculum delivery.

The External Examinations sub-programme fluctuates, indicative of the number of exams, due to the expansion in the range of courses offered to learners. This sub-programme also provides the budget for the marking arrangements for the Annual National Assessments, NSC and NCS examinations, including the payments for markers, the marking centres, as well as security arrangements, accommodation and catering linked thereto. The 2018/19 MTEF provides for the operating payments due to increased printing for June and September supplementary exams, answer books for NSC, printing of memos for AET and NSC, printing of Grades 10 and 11 common tests, mark sheets, travel and subsistence costs for monitoring of examinations and additional lessons during school holidays.

The HIV and AIDS (Life-Skills Education) grant grows steadily from 2014/15 to 2020/21. As previously mentioned, the 2018/19 MTEF makes provision for activities relating to this grant, including the payment of stipends to learner support agents to undertake on-site peer education and care support programmes in schools on a day-to-day basis, in order to monitor social ills programmes. These include focussing on keeping girls in school, training of educators and peer education, among others.

Compensation of employees grows steadily over the seven-year period. However, the year-on-year growth from the 2017/18 Revised Estimate to 2018/19 is below the National Treasury prescribed inflationary wage adjustment of 8 per cent in 2018/19 and 2020/21, and 7.8 per cent in 2019/20. The programme shows growth at 6.7 per cent in 2018/19, 5.8 per cent in 2019/20 and 5.3 per cent in 2020/21, and this will need to be reviewed in-year and in the next budget process.

Goods and services was high in the 2017/18 Revised Estimate mainly due to high travel and subsistence costs relating to the implementation of the operation "Bounce Back" strategy aimed at improving matric results, operating payments as a result of the increase in the rates for security and cleaning services for examination centres during the marking period, additional printing and publication costs for the printing of examination papers for NSC and other Grades 10 to 11, property payments, etc. The growth over the

2018/19 MTEF provides for examination services, travelling to schools for professional or advisory services, as well as teacher assistants and examination marking.

Transfers and subsidies to: Departmental agencies and accounts reflects an increase over the seven-year period, in line with the increase in the wage bill. These transfers are made to ETDP SETA.

Transfers and subsidies to: Non-profit institutions caters for transfers to schools through the HIV and AIDS (Life-Skills Education) grant and was utilised to purchase school uniforms for orphans. The allocation has been reprioritised to other activities such as advocacy campaigns, travel and subsistence for psycho-social bootcamps for learners and educators, etc. within the grant from the 2017/18 Adjusted Appropriation. This includes activities such as travel and subsistence for school and district monitoring.

There is no allocation against *Machinery and equipment* over the 2018/19 MTEF due to the reprioritisation of funds undertaken by the department toward *Compensation of employees*.

Service delivery measures: Examination and Education Related Services

Table 5.31 illustrates the main sector specific service delivery measures relevant to Programme 7.

Table 5.31 : Service delivery measures: Examination and Education Related Services

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2017/18	2018/19	2019/20	2020/21
To attain the highest possible educational outcomes among learners in public ordinary schools	• % of learners who passed NSC	76%	80%	85%	86%
	• % of Grade 12 learners passing at bachelor level	27%	30%	31%	32%
	• % of Grade 12 learners achieving 50% or more in Mathematics	19%	22%	23%	24%
	• % of Grade 12 learners achieving 50% or more in Physical Science	21%	24%	25%	26%
	• No. of secondary schools with NSC pass rate of 60% and above	1 620	1 655	1 675	1 675

9. Other programme information

9.1 Personnel numbers and costs

Table 5.32 reflects personnel information per programme for Education, and includes both educator and non-educator salaries and post numbers.

Table 5.32 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		Pers. growth rate	Costs growth rate	% Costs of Total
	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Filled posts	Addit. posts	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs			
R thousands																			
Salary level																			
1 – 6	28 367	4 530 335	26 520	4 980 336	26 511	4 942 017	23 771	-	23 771	4 808 574	23 771	5 113 578	23 771	5 433 539	23 771	5 773 148	0.0%	6.3%	11.9%
7 – 10	73 495	24 386 844	75 056	26 125 030	78 122	29 590 124	79 872	-	79 872	32 552 304	79 872	34 219 900	79 872	36 294 810	79 872	39 260 878	0.0%	6.4%	80.1%
11 – 12	2 879	1 697 526	2 722	1 858 290	2 739	1 968 069	2 604	-	2 604	2 015 653	2 604	2 142 639	2 604	2 277 625	2 604	2 421 419	0.0%	6.3%	5.0%
13 – 16	63	57 131	63	62 542	61	60 188	61	-	61	63 431	61	67 427	61	71 675	61	76 190	0.0%	6.3%	0.2%
Other	7 769	1 366 102	8 201	1 500 882	8 202	1 047 997	7 281	-	7 281	1 058 809	7 281	1 347 400	7 281	1 410 566	7 281	1 471 150	0.0%	11.6%	2.9%
Total	112 573	32 037 938	112 562	34 527 080	115 635	37 608 395	113 589	-	113 589	40 498 770	113 589	42 890 943	113 589	45 488 215	113 589	49 002 786	0.0%	6.6%	100.0%
Programme																			
1. Administration	2 986	999 380	2 992	1 052 419	4 715	1 124 805	3 292	-	3 292	1 211 252	3 292	1 508 404	3 292	1 592 873	3 292	1 680 480	0.0%	11.5%	3.3%
2. Public Ordinary School Education	98 054	29 004 902	96 488	31 252 905	99 499	33 747 306	97 303	-	97 303	36 335 724	97 303	38 152 894	97 303	40 502 461	97 303	43 765 340	0.0%	6.4%	89.3%
3. Independent School Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
4. Public Special School Education	3 162	747 935	3 142	813 764	3 228	897 252	3 238	-	3 238	966 211	3 217	996 044	3 217	1 055 300	3 217	1 114 202	(0.2%)	4.9%	2.3%
5. Early Childhood Development	5 108	471 467	5 378	508 269	4 084	874 192	5 406	-	5 406	941 378	5 427	1 120 137	5 427	1 160 129	5 427	1 201 607	0.1%	8.5%	2.4%
6. Infrastructure Development	-	-	-	11 505	189	19 351	238	-	238	28 276	238	29 916	238	31 591	238	34 118	0.0%	6.5%	0.1%
7. Exam. and Education Related Services	3 263	814 254	4 562	888 218	3 920	945 489	4 112	-	4 112	1 015 929	4 112	1 083 548	4 112	1 145 861	4 112	1 207 039	0.0%	5.9%	2.5%
Total	112 573	32 037 938	112 562	34 527 080	115 635	37 608 395	113 589	-	113 589	40 498 770	113 589	42 890 943	113 589	45 488 215	113 589	49 002 786	0.0%	6.6%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	13 959	2 179 599	13 898	2 340 025	14 087	2 476 287	13 615	-	13 615	2 738 267	13 615	2 898 471	13 615	3 075 892	13 615	3 245 066	0.0%	5.8%	6.7%
PSA appointees still to be covered by OSDs	-	-	-	-	1 399	250 016	1 128	-	1 128	249 046	1 128	263 617	1 128	279 753	1 128	295 139	0.0%	5.8%	0.6%
Prof. nurses, staff nurses, nursing ass.	36	11 559	32	10 781	28	10 525	27	-	27	13 026	27	13 788	27	14 632	27	15 437	0.0%	5.8%	0.0%
Legal professionals	5	3 293	4	2 928	4	3 150	4	-	4	3 377	4	3 575	4	3 793	4	4 002	0.0%	5.8%	0.0%
Social services professionals	14	2 191	14	2 541	18	2 947	3	-	3	3 067	3	3 246	3	3 445	3	3 635	0.0%	5.8%	0.0%
Engineering prof. and related occupations	25	5 985	36	11 409	10	6 249	9	-	9	16 728	9	7 665	9	18 791	9	19 824	0.0%	5.8%	0.0%
Medical and related prof.	1 768	204 568	1 761	219 886	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
Therapeutic, diagnostic health prof., etc	173	60 925	161	61 654	166	68 393	174	-	174	75 913	174	80 354	174	85 273	174	89 963	0.0%	5.8%	0.2%
Educators and related prof.	88 823	28 725 894	88 454	30 738 858	91 721	33 643 190	91 185	-	91 185	36 197 982	91 185	38 348 577	91 185	40 657 145	91 185	43 907 851	0.0%	6.6%	89.5%
Others (interns, EPWP, learnerships)	7 770	843 924	8 202	1 138 998	8 202	1 147 638	7 444	-	7 444	1 201 364	7 444	1 271 650	7 444	1 349 491	7 444	1 421 869	0.0%	5.8%	2.9%
Total	112 573	32 037 938	112 562	34 527 080	115 635	37 608 395	113 589	-	113 589	40 498 770	113 589	42 890 943	113 589	45 488 215	113 589	49 002 786	0.0%	6.6%	100.0%

¹ Personnel numbers includes all filled posts together with those posts additional to the approved establishment

Salary costs continue to be a major cost driver in the department's budget, with Programme 2 having the largest share of the department's post allocation. The table indicates the number of employees that can be afforded given the *Compensation of employees*' budget for each year and thus working out the average unit cost. However, with regard to the previous years, the table indicates the total number of employees that were on the payroll as at the end of that particular year.

The permanent funded establishment for the department is currently at 107 433, excluding periodic employees who are employed on a temporary basis. The budget has been decreased by R238.347 million in 2017/18 against Programme 2. This is attributed to the PES and Provincial Own Revenue reductions over the MTEF, as well as the budget reductions due to the provincial reprioritisation to fund the remuneration of *Izinduna*.

As can be seen in the table above, in 2017/18 the number of employees is 113 589. This includes 106 145 employees on the department's fixed establishment, while *Other* represents 7 444 employees who are appointed on a temporary basis, including relief or substitute educators where permanent educators are not available for extended periods, such as incapacity or maternity leave, interns, learnerships, EPWP, ECD Practitioners and contract personnel.

It should be noted that the *Compensation of employees*' budget has been under-spent for the past three years, i.e. R99.423 million in 2014/15, R151.001 million in 2015/16 and R22.639 million in 2016/17, but is projected to be over-spent by R506.807 million in 2017/18. This, in essence, means that the department needs to review the projected personnel numbers and also the minimum number of required personnel, dependent on learner number projections, since the learner numbers remain at 2 886 393, as well as the closure of some non-viable schools for efficient service delivery.

The department will have to effectively manage its fluctuating personnel numbers and the timeous payment of allowances such as rural allowances to avoid further under-spending. Furthermore, the department should ensure that it undertakes an in-depth analysis as requested by the Executive Council of the *Compensation employees*' budget, taking into consideration the significant under-spending in the past three years.

The following comments are made with regard to personnel trends:

The year-on-year budget growth over the 2018/19 MTEF is below National Treasury prescribed inflation at 5.9, 6.1, and 7.7 per cent from 2018/19 to 2020/21, respectively. This is an indication that the department will be forced to keep its personnel numbers static without filling additional posts, as the below inflation increase provided for in the budget will decrease the affordability even further.

The overall average growth for 2017/18 to 2020/21 is, at 6.6 per cent, below inflation. However, the growth rate for Administration is high at 11.5 per cent, though the personnel numbers remain constant over the MTEF. This mainly relates to the low baseline in 2017/18 due to the non-filling of posts as a result of the below inflationary wage adjustment budget growth. Also, the Infrastructure Development growth rate is low at an average of 3.8 per cent. This provides for anticipated filling of DORA posts which were not filled in 2017/18 as a result of failure to attract suitable candidates. This growth rate will have to be reviewed in future MTEF periods. The department indicated that provision had been made to fill posts that become vacant through attrition, however, due to the overall outlook being negative, this cannot be achieved.

It should be noted that the pressures highlighted exclude the 1.5 per cent pay progression for public service employees and 1 per cent for educators and, if factored in, this will increase the spending pressures against this category. Clearly, *Compensation of employees* continues to experience pressures over the MTEF, and is crowding out other service delivery areas of the department, including *Goods and services*, *Transfers and subsidies* and *Payments for capital assets*.

It is therefore imperative that the department undertakes a thorough analysis of the personnel numbers and budget to ascertain which posts can and cannot be filled over the 2018/19 MTEF.

7.2 Training

Table 5.33 reflects departmental expenditure on training per programme. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The total training budget comprises the allocations for training and development, as well as employees' bursaries in respect of Programmes 1 and 2.

Table 5.33 : Information on training: Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	112 573	112 562	115 635	113 589	113 589	113 589	113 589	113 589	113 589
Number of personnel trained	30 072	35 000	36 000	38 000	38 000	38 000	40 204	42 456	44 791
of which									
Male	17 014	18 500	19 500	20 500	20 500	20 500	21 689	22 904	24 164
Female	13 058	16 500	16 500	17 500	17 500	17 500	18 515	19 552	20 627
Number of training opportunities	41 172	52 785	52 785	55 423	55 423	55 423	58 639	61 923	65 328
of which									
Tertiary	4 187	4 687	4 687	4 921	4 921	4 921	5 207	5 499	5 801
Workshops	1 109	1 309	1 309	1 374	1 374	1 374	1 454	1 535	1 619
Seminars	-	-	-	-	-	-	-	-	-
Other	35 876	46 789	46 789	49 128	49 128	49 128	51 978	54 889	57 908
Number of bursaries offered	15 350	6 000	7 000	8 000	8 000	8 000	8 464	8 938	9 430
Number of interns appointed	367	400	400	420	420	420	444	469	495
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	5	5	5	5	5	5	6	6	6
Payments on training by programme									
1. Administration	51 983	77 646	68 548	35 974	35 974	32 792	28 060	30 191	31 852
2. Public Ordinary School Education	68 192	60 273	7 397	250 739	141 739	82 829	153 062	168 683	181 242
3. Independent School Subsidies	-	-	-	-	-	-	-	-	-
4. Public Special School Education	-	-	40	10 710	10 860	2 779	8 691	9 221	9 728
5. Early Childhood Development	3 185	-	-	22 945	22 945	7 262	27 072	28 274	29 829
6. Infrastructure Development	-	-	-	-	-	-	-	-	-
7. Examination and Education Related Services	8 273	3 484	1 364	5 692	5 692	1 427	3 123	3 410	2 070
Total	131 633	141 403	77 349	326 060	217 210	127 089	220 008	239 779	254 721

The trend fluctuates due to the continued implementation of cost-cutting measures. The training budget is set to increase steadily over the 2018/19 MTEF, in order to address the educators' skills gaps and improve the quality of education.

ANNEXURE – VOTE 5: EDUCATION

Table 5.A : Details of departmental receipts: Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	47 669	48 807	56 377	58 564	58 564	58 565	61 961	65 430	69 028
Sale of goods and services produced by department (excluding capital assets)	47 668	48 772	56 377	58 564	58 564	58 564	61 961	65 430	69 028
Sale by market establishments	2 329	2 094	2 004	2 400	2 400	2 400	2 488	2 627	2 771
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	45 339	46 678	54 373	56 164	56 164	56 164	59 473	62 803	66 257
Of which									
Commission	42 238	44 781	45 783	45 200	45 200	50 638	45 600	48 154	50 802
Exam certificate	1 867	750	1 950	4 355	4 355	4 426	2 000	2 110	2 226
Marking of exam papers	1 132	700	1 146	3 961	3 961	3 961	1 100	1 200	1 266
Tender documents	-	104	5 426	2 550	2 550	4 180	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	1	35	-	-	-	1	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 151	1 618	592	358	358	1 337	379	400	422
Interest	1 151	1 618	592	358	358	1 337	379	400	422
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	5 489	11 556	-	-	4 253	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	5 489	11 556	-	-	4 253	-	-	-
Transactions in financial assets and liabilities	47 885	37 604	55 114	33 470	33 470	33 470	35 411	37 394	39 451
Total	96 705	93 518	123 639	92 392	92 392	97 625	97 751	103 224	108 901

Table 5.B: Payments and estimates by economic classification: Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	35 409 049	38 715 581	41 765 226	43 648 235	44 234 596	44 596 525	47 154 751	49 965 643	53 740 170
Compensation of employees	32 037 938	34 527 080	37 608 395	39 869 285	39 991 963	40 498 770	42 890 943	45 488 215	49 002 786
Salaries and wages	27 713 445	29 656 492	32 393 937	31 402 509	31 493 087	34 835 517	36 076 183	38 280 039	41 667 006
Social contributions	4 324 493	4 870 588	5 214 458	8 466 776	8 498 876	5 663 253	6 814 760	7 208 176	7 335 780
Goods and services	3 367 992	4 050 569	4 156 303	3 778 950	4 242 460	4 096 848	4 263 808	4 477 428	4 737 384
Administrative fees	6 931	6 105	12 585	2 456	2 456	12 527	5 753	6 033	6 251
Advertising	6 354	6 783	5 283	6 157	6 157	3 963	4 021	4 246	4 480
Minor assets	169	3 633	1 772	-	-	1 774	99	105	111
Audit cost: External	9 923	9 923	12 099	9 894	9 894	9 614	10 468	11 054	11 662
Bursaries: Employees	70 088	88 642	67 898	67 248	67 248	90 164	72 598	76 663	80 879
Catering: Departmental activities	54 810	54 315	68 537	33 101	33 101	45 467	36 338	38 284	40 218
Communication (G&S)	34 352	26 390	37 272	10 543	10 543	31 103	12 181	11 430	11 894
Computer services	37 009	31 382	84 619	72 842	72 842	64 079	75 726	79 992	84 392
Cons & prof serv: Business and advisory services	56 450	107 335	103 125	103 985	103 985	81 601	92 290	97 459	102 820
Infrastructure and planning	-	-	95	-	-	-	-	-	-
Laboratory services	-	-	-	2 567	2 567	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	9 932	120 626	12 820	3 685	3 685	21 069	21 625	22 836	24 092
Contractors	21 573	10 467	6 053	-	-	2 595	800	880	928
Agency and support / outsourced services	1 260 544	1 350 847	1 255 940	1 280 523	1 397 330	1 396 808	1 377 254	1 454 490	1 569 508
Entertainment	139	15	6	-	-	13	-	-	-
Fleet services (including govt motor transport)	38 540	38 190	39 403	41 564	41 564	41 408	43 962	46 414	48 967
Housing	-	-	-	-	-	3	-	-	-
Inventory: Clothing material and accessories	286	3 264	156	-	-	80	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	16	31	23	549	549	-	-	-	-
Inventory: Fuel, oil and gas	517	367	393	292	292	315	353	372	393
Inventory: Learner and teacher support material	453 897	611 674	625 286	582 359	752 692	629 751	611 799	643 735	677 282
Inventory: Materials and supplies	853	4 273	769	19 782	19 782	-	9 044	736	776
Inventory: Medical supplies	28 607	164	-	7 069	2 509	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	160 464	207 266	242 251	214 661	164 661	77 512	212 295	233 969	244 028
Consumable supplies	8 537	8 652	19 490	87 498	137 498	105 509	114 197	106 181	108 503
Consumable: Stationery, printing & office supplies	97 088	134 951	25 402	45 174	50 174	46 359	39 565	42 100	44 730
Operating leases	59 963	21 283	80 837	103 133	121 233	132 491	91 329	96 080	98 834
Property payments	394 486	457 009	493 443	459 781	565 415	621 604	484 142	500 495	523 724
Transport provided: Departmental activity	156 822	216 917	307 942	30 185	30 493	4 366	208 056	219 706	231 790
Travel and subsistence	272 683	300 288	380 242	174 922	212 660	295 391	305 749	320 391	341 654
Training and development	61 500	52 761	9 451	258 812	149 962	36 925	147 410	163 116	173 842
Operating payments	42 876	128 174	238 755	143 782	266 782	331 266	275 811	289 495	294 081
Venues and facilities	20 571	18 700	23 155	16 386	16 386	11 698	10 943	11 166	11 545
Rental and hiring	2 012	30 142	1 201	-	-	1 393	-	-	-
Interest and rent on land	3 119	137 932	528	-	173	907	-	-	-
Interest	3 119	137 932	528	-	173	907	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 857 892	1 908 152	1 945 524	1 938 940	1 752 699	1 787 832	1 988 164	2 102 860	2 220 718
Provinces and municipalities	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Provinces	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 666 314	1 656 841	1 692 709	1 765 959	1 577 759	1 577 772	1 805 150	1 909 598	2 016 826
Households	167 451	171 470	168 227	83 003	84 358	118 743	87 817	92 734	97 835
Social benefits	167 451	171 470	168 227	83 003	84 358	118 743	87 817	92 734	97 835
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 022 135	2 440 909	2 217 809	1 857 531	1 880 905	1 870 166	1 760 767	1 716 796	1 919 722
Buildings and other fixed structures	2 017 870	2 343 612	2 170 374	1 827 871	1 835 438	1 835 438	1 736 691	1 691 879	1 894 401
Buildings	2 017 870	2 343 612	2 170 374	1 817 871	1 825 438	1 825 438	1 736 691	1 691 879	1 894 401
Other fixed structures	-	-	-	10 000	10 000	10 000	-	-	-
Machinery and equipment	4 265	97 297	47 188	25 660	40 729	29 990	20 076	20 917	21 321
Transport equipment	370	62 809	33 140	6 840	10 879	7 379	3 750	4 500	4 748
Other machinery and equipment	3 895	34 488	14 048	18 820	29 850	22 611	16 326	16 417	16 573
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	247	4 000	4 738	4 738	4 000	4 000	4 000
Payments for financial assets	-	31 892	31 893	31 893	31 893	31 893	-	-	-
Total	39 289 076	43 096 534	45 960 452	47 476 599	47 900 093	48 286 416	50 903 682	53 785 299	57 880 610
Unauth. Exp. (1st charge) not available for spending	-	(31 892)	(31 893)	(31 893)	(31 893)	(31 893)	-	-	-
Baseline available for spending after 1st charge	39 289 076	43 064 642	45 928 559	47 444 706	47 868 200	48 254 523	50 903 682	53 785 299	57 880 610

Table 5.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 433 676	1 505 429	1 739 813	1 758 589	1 751 932	1 724 389	1 947 309	2 055 444	2 165 967
Compensation of employees	999 380	1 052 419	1 124 805	1 392 891	1 366 107	1 211 252	1 508 404	1 592 873	1 680 480
Salaries and wages	847 605	899 956	966 077	1 119 412	1 092 628	1 034 548	1 316 532	1 384 657	1 460 813
Social contributions	151 775	152 463	158 728	273 479	273 479	176 704	191 872	208 216	219 667
Goods and services	431 249	451 323	614 585	365 698	385 652	512 246	438 905	462 571	485 487
Administrative fees	2 791	1 332	3 172	1 106	1 106	2 692	2 644	2 792	2 946
Advertising	6 354	6 783	5 183	5 194	5 194	3 963	4 021	4 246	4 480
Minor assets	153	3 464	1 408	-	-	1 161	-	-	-
Audit cost: External	9 758	9 712	11 835	9 894	9 894	9 353	10 468	11 054	11 662
Bursaries: Employees	38 055	65 197	67 898	22 000	22 000	32 560	23 276	24 579	25 931
Catering: Departmental activities	3 494	2 704	2 981	3 851	3 851	1 573	4 073	4 300	4 536
Communication (G&S)	32 536	25 024	36 287	7 543	7 543	29 606	7 981	8 428	8 892
Computer services	30 846	28 186	79 587	65 526	65 526	59 261	69 326	73 208	77 235
Cons & prof serv: Business and advisory services	1 143	32	2 655	16 754	16 754	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	469	469	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	9 279	8 934	7 420	3 685	3 685	21 069	21 625	22 836	24 092
Contractors	8 890	7 846	3 629	-	-	1 417	-	-	-
Agency and support / outsourced services	2 465	15 204	13 367	5 221	5 221	11 800	5 524	5 834	6 156
Entertainment	42	15	6	-	-	13	-	-	-
Fleet services (including govt motor transport)	38 515	38 027	39 366	40 615	40 615	40 459	42 971	45 378	47 874
Housing	-	-	-	-	-	3	-	-	-
Inventory: Clothing material and accessories	177	252	33	-	-	69	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	16	23	23	549	549	-	-	-	-
Inventory: Fuel, oil and gas	45	58	101	147	147	126	155	163	172
Inventory: Learner and teacher support material	313	502	560	-	-	96	-	-	-
Inventory: Materials and supplies	-	54	57	-	-	-	-	-	-
Inventory: Medical supplies	-	5	-	4 560	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	2	47	51	-	-	902	557	588	620
Consumable supplies	2 365	1 683	3 383	7 689	7 689	1 722	2 681	3 716	4 240
Consumable: Stationery, printing & office supplies	12 270	18 629	13 678	17 651	17 651	12 587	10 805	11 851	12 936
Operating leases	29 085	10 432	9 685	34 962	34 962	60 714	80 989	85 061	87 209
Property payments	80 756	81 288	87 921	18 181	42 695	92 368	33 224	33 759	34 865
Transport provided: Departmental activity	777	436	1 561	170	170	201	203	214	225
Travel and subsistence	97 994	100 936	126 504	82 283	82 283	120 844	107 711	112 848	119 253
Training and development	13 883	12 449	650	13 974	13 974	232	4 784	5 612	5 921
Operating payments	7 631	5 800	90 718	3 674	3 674	5 518	5 887	6 104	6 242
Venues and facilities	1 521	4 903	4 241	-	-	1 377	-	-	-
Rental and hiring	93	1 366	645	-	-	560	-	-	-
Interest and rent on land	3 047	1 687	423	-	173	891	-	-	-
Interest	3 047	1 687	423	-	173	891	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	17 182	16 976	20 433	34 201	36 160	20 203	36 185	38 211	40 313
Provinces and municipalities	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Provinces	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	2 097	1 702	1 331	1 216	1 820	1 820	1 287	1 359	1 434
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15 085	15 274	19 102	32 985	34 340	18 383	34 898	36 852	38 879
Social benefits	15 085	15 274	19 102	32 985	34 340	18 383	34 898	36 852	38 879
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 460	97 149	32 183	8 820	13 518	2 381	1 332	1 855	1 957
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 460	97 149	32 128	8 820	13 380	2 243	1 332	1 855	1 957
Transport equipment	370	62 809	18 545	-	3 500	-	-	-	-
Other machinery and equipment	1 090	34 340	13 583	8 820	9 880	2 243	1 332	1 855	1 957
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	55	-	138	138	-	-	-
Payments for financial assets	-	31 892	31 893	31 893	31 893	31 893	-	-	-
Total	1 452 318	1 651 446	1 824 322	1 833 503	1 833 503	1 778 866	1 984 826	2 095 510	2 208 237
Unauth. Exp. (1st charge) not available for spending	-	(31 892)	(31 893)	(31 893)	(31 893)	(31 893)	-	-	-
Baseline available for spending after 1st charge	1 452 318	1 619 554	1 792 429	1 801 610	1 801 610	1 746 973	1 984 826	2 095 510	2 208 237

Table 5.D : Payments and estimates by economic classification: Public Ordinary School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	31 305 662	34 215 903	36 538 460	38 375 267	38 305 074	38 879 843	41 028 695	43 526 474	46 984 871
Compensation of employees	29 004 902	31 252 905	33 747 306	35 816 821	35 561 821	36 335 724	38 152 894	40 502 461	43 765 340
Salaries and wages	25 031 785	26 761 748	28 936 624	28 087 810	27 800 710	31 127 712	31 969 746	33 969 778	37 142 192
Social contributions	3 973 117	4 491 157	4 810 682	7 729 011	7 761 111	5 208 012	6 183 148	6 532 683	6 623 148
Goods and services	2 300 689	2 826 753	2 791 053	2 558 446	2 743 253	2 544 108	2 875 801	3 024 013	3 219 531
Administrative fees	1 242	3 596	7 532	850	850	6 389	850	850	850
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	14	-	-	-	582	-	-	-
Audit cost: External	161	205	259	-	-	261	-	-	-
Bursaries: Employees	32 033	23 445	-	45 248	45 248	57 604	49 322	52 084	54 948
Catering: Departmental activities	10 581	12 114	18 557	3 005	3 005	22 546	3 133	3 263	3 398
Communication (G&S)	416	114	98	3 000	3 000	1 010	3 000	3 000	3 000
Computer services	-	4	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	55 307	107 303	100 470	84 420	84 420	78 790	89 316	94 318	99 506
Infrastructure and planning	-	-	95	-	-	-	-	-	-
Laboratory services	-	-	-	2 098	2 098	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	653	111 692	5 400	-	-	-	-	-	-
Contractors	1 137	1 691	286	-	-	360	-	-	-
Agency and support / outsourced services	1 255 624	1 334 929	1 242 216	1 269 658	1 386 465	1 384 521	1 370 684	1 447 628	1 562 317
Entertainment	42	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	29	580	580	580	614	648	684
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	52	55	64	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	8	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3	-	-	145	145	145	153	162	171
Inventory: Learner and teacher support material	451 553	537 108	547 098	495 570	667 570	610 807	525 085	552 661	581 199
Inventory: Materials and supplies	540	3 960	482	19 782	19 782	-	9 044	736	776
Inventory: Medical supplies	48	9	-	2 509	2 509	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	154 609	205 723	219 897	189 661	139 661	50 083	186 738	208 381	220 935
Consumable supplies	3 413	4 462	14 055	67 424	117 424	103 270	108 173	98 939	100 558
Consumable: Stationery, printing & office supplies	4 281	21 157	5 134	2 135	7 135	7 316	2 135	2 135	2 135
Operating leases	5 673	3 938	3 955	3 171	3 171	4 695	3 356	3 543	3 738
Property payments	105 563	105 171	49 762	25 600	25 600	24 860	27 200	31 000	35 000
Transport provided: Departmental activity	150 470	213 571	304 737	-	-	2 214	206 630	218 201	230 203
Travel and subsistence	25 520	59 494	112 582	24 779	24 779	48 713	73 241	76 409	80 291
Training and development	36 159	36 828	7 397	205 491	96 491	25 225	103 740	116 599	126 294
Operating payments	1 861	38 961	140 171	111 820	111 820	111 150	111 887	111 956	112 028
Venues and facilities	3 051	1 039	10 660	1 500	1 500	2 780	1 500	1 500	1 500
Rental and hiring	697	162	117	-	-	207	-	-	-
Interest and rent on land	71	136 245	101	-	-	11	-	-	-
Interest	71	136 245	101	-	-	11	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 571 969	1 573 083	1 585 607	1 547 867	1 375 867	1 422 336	1 579 596	1 670 293	1 764 360
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 427 707	1 426 584	1 446 314	1 499 574	1 327 574	1 327 574	1 528 502	1 616 338	1 707 437
Households	144 262	146 499	139 293	48 293	48 293	94 762	51 094	53 955	56 923
Social benefits	144 262	146 499	139 293	48 293	48 293	94 762	51 094	53 955	56 923
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 294	31	14	30 840	40 840	41 034	18 182	17 582	17 582
Buildings and other fixed structures	1 294	-	-	10 000	10 000	10 000	-	-	-
Buildings	1 294	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	10 000	10 000	10 000	-	-	-
Machinery and equipment	-	31	14	16 840	26 240	26 434	14 182	13 582	13 582
Transport equipment	-	-	-	6 840	6 840	6 840	-	-	-
Other machinery and equipment	-	31	14	10 000	19 400	19 594	14 182	13 582	13 582
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	4 000	4 600	4 600	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	32 878 925	35 789 017	38 124 081	39 953 974	39 721 781	40 343 213	42 626 473	45 214 349	48 766 813

Table 5.E : Payments and estimates by economic classification: Independent School Subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing & office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	70 967	77 278	80 900	86 038	86 038	86 038	91 028	96 125	101 411

Table 5.F : Payments and estimates by economic classification: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	755 452	815 011	898 518	944 265	946 356	975 630	1 009 403	1 070 183	1 129 903
Compensation of employees	747 935	813 764	897 252	931 888	935 088	966 211	996 044	1 055 300	1 114 202
Salaries and wages	637 348	686 122	758 613	785 638	788 838	815 889	841 096	891 675	941 578
Social contributions	110 587	127 642	138 639	146 250	146 250	150 322	154 948	163 625	172 624
Goods and services	7 517	1 247	1 266	12 377	11 268	9 419	13 359	14 883	15 701
Administrative fees	9	1	10	-	-	295	500	600	633
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	50	-	40	-	-	198	50	60	63
Communication (G&S)	-	5	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	14	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	492	-	191	1 667	-	1 237	1 000	1 200	1 266
Inventory: Materials and supplies	13	1	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	5 853	943	603	-	-	1 743	-	-	-
Consumable supplies	78	12	11	-	-	2	18	22	23
Consumable: Stationery, printing & office supplies	1	13	30	-	-	-	-	-	-
Operating leases	-	29	-	-	100	-	150	240	253
Property payments	245	139	-	-	-	33	-	-	-
Transport provided: Departmental activity	207	-	-	-	308	-	-	-	-
Travel and subsistence	237	98	341	-	-	3 132	2 450	2 940	3 102
Training and development	-	-	40	10 710	10 860	2 779	8 691	9 221	9 728
Operating payments	3	6	-	-	-	-	500	600	633
Venues and facilities	315	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	131 236	127 316	134 830	145 544	135 344	135 344	153 986	162 609	171 553
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	127 801	123 927	130 964	143 819	133 619	133 619	152 161	160 682	169 520
Households	3 435	3 389	3 866	1 725	1 725	1 725	1 825	1 927	2 033
Social benefits	3 435	3 389	3 866	1 725	1 725	1 725	1 825	1 927	2 033
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 025	-	14 595	-	1 109	1 109	4 562	5 480	5 782
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 025	-	14 595	-	1 109	1 109	4 562	5 480	5 782
Transport equipment	-	-	14 595	-	539	539	3 750	4 500	4 748
Other machinery and equipment	2 025	-	-	-	570	570	812	980	1 034
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	888 713	942 327	1 047 943	1 089 809	1 082 809	1 112 083	1 167 951	1 238 272	1 307 238

Table 5.G : Payments and estimates by economic classification: Early Childhood Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	475 617	586 196	954 521	795 067	1 201 067	969 019	1 246 959	1 292 933	1 341 715
Compensation of employees	471 467	508 269	874 192	674 100	1 080 100	941 378	1 120 137	1 160 129	1 201 607
Salaries and wages	457 493	491 631	855 474	525 625	931 625	904 846	962 703	993 879	1 026 213
Social contributions	13 974	16 638	18 718	148 475	148 475	36 532	157 434	166 250	175 394
Goods and services	4 150	77 927	80 329	120 967	120 967	27 641	126 822	132 804	140 108
Administrative fees	-	16	68	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	110	272	1 050	1 050	98	1 111	1 173	1 238
Communication (G&S)	-	1	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	2 811	2 811	2 811	2 974	3 141	3 314
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	1	-	-	-
Agency and support / outsourced services	-	-	-	106	106	-	70	36	38
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	369	369	369	377	388	409
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	53	11	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	73 203	76 382	84 672	84 672	15 791	85 714	89 874	94 817
Inventory: Materials and supplies	-	253	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	21	-	-	-	-	-	-	-
Consumable supplies	-	584	113	1 328	1 328	-	1 405	1 484	1 566
Consumable: Stationery, printing & office supplies	256	2 249	1 195	2 100	2 100	251	2 221	2 345	2 474
Operating leases	35	20	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	133	-	1 155	1 155	85	1 223	1 291	1 362
Travel and subsistence	641	1 284	2 257	4 035	4 035	894	4 272	4 418	4 661
Training and development	3 185	-	-	22 945	22 945	7 262	27 072	28 274	29 829
Operating payments	33	-	-	396	396	73	383	380	400
Venues and facilities	-	-	10	-	-	-	-	-	-
Rental and hiring	-	-	21	-	-	6	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	30 506	17 475	19 002	30 528	30 528	30 761	33 459	36 453	38 458
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	30 415	17 022	18 851	30 528	30 528	30 541	33 459	36 453	38 458
Households	91	453	151	-	-	220	-	-	-
Social benefits	91	453	151	-	-	220	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	506 123	603 671	973 523	825 595	1 231 595	999 780	1 280 418	1 329 386	1 380 173

Table 5.H : Payments and estimates by economic classification: Infrastructure Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	194 504	270 661	422 756	490 276	589 396	589 396	449 916	461 975	478 429
Compensation of employees	-	11 505	19 351	28 276	28 276	28 276	29 916	31 591	34 118
Salaries and wages	-	11 505	17 401	28 276	28 276	26 615	29 916	31 591	34 118
Social contributions	-	-	1 950	-	-	1 661	-	-	-
Goods and services	194 504	259 156	403 405	462 000	561 120	561 120	420 000	430 384	444 311
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	100	-	-	-	-	-	-
Minor assets	-	-	2	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	10 410	-	2 051	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	532	21 700	25 000	25 000	24 441	25 000	25 000	22 473
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing & office supplies	-	-	56	-	-	-	-	-	-
Operating leases	21 746	3 365	64 245	42 000	60 000	60 000	-	-	-
Property payments	162 348	227 693	313 588	395 000	476 120	476 120	395 000	405 384	421 838
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	1 613	-	-	546	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	50	-	-	13	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	27 566	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 016 576	2 343 404	2 170 689	1 817 871	1 825 438	1 825 438	1 736 691	1 691 879	1 894 401
Buildings and other fixed structures	2 016 576	2 343 404	2 170 374	1 817 871	1 825 438	1 825 438	1 736 691	1 691 879	1 894 401
Buildings	2 016 576	2 343 404	2 170 374	1 817 871	1 825 438	1 825 438	1 736 691	1 691 879	1 894 401
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	123	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	123	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	192	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 211 080	2 614 065	2 593 445	2 308 147	2 414 834	2 414 834	2 186 607	2 153 854	2 372 830

Table 5.1 : Payments and estimates by economic classification: Examination and Education Related Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 244 138	1 322 381	1 211 158	1 284 771	1 440 771	1 458 248	1 472 469	1 558 634	1 639 285
Compensation of employees	814 254	888 218	945 489	1 025 309	1 020 571	1 015 929	1 083 548	1 145 861	1 207 039
Salaries and wages	739 214	805 530	859 748	855 748	851 010	925 907	956 190	1 008 459	1 062 092
Social contributions	75 040	82 688	85 741	169 561	169 561	90 022	127 358	137 402	144 947
Goods and services	429 883	434 163	265 665	259 462	420 200	442 314	388 921	412 773	432 246
Administrative fees	2 889	1 160	1 803	500	500	3 151	1 759	1 791	1 822
Advertising	-	-	-	963	963	-	-	-	-
Minor assets	16	155	362	-	-	31	99	105	111
Audit cost: External	4	6	5	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	40 685	39 387	46 687	25 195	25 195	21 052	27 971	29 488	30 983
Communication (G&S)	1 400	1 246	887	-	-	487	1 200	2	2
Computer services	6 163	3 192	5 052	7 316	7 316	4 818	6 400	6 784	7 157
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	1 136	930	87	-	-	817	800	880	928
Agency and support / outsourced services	2 455	714	357	5 538	5 538	487	976	992	997
Entertainment	55	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	11	163	8	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	57	2 904	48	-	-	11	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	469	309	292	-	-	44	45	47	50
Inventory: Learner and teacher support material	1 539	861	1 055	450	450	1 820	-	-	-
Inventory: Materials and supplies	300	5	230	-	-	-	-	-	-
Inventory: Medical supplies	28 559	150	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	343	-	-	-
Consumable supplies	2 681	1 911	1 928	11 057	11 057	515	1 920	2 020	2 116
Consumable: Stationery, printing & office supplies	80 280	92 903	5 309	23 288	23 288	26 205	24 404	25 769	27 185
Operating leases	3 424	3 499	2 952	23 000	23 000	7 082	6 834	7 236	7 634
Property payments	45 574	42 718	42 172	21 000	21 000	28 223	28 718	30 352	32 021
Transport provided: Departmental activity	5 368	2 777	1 644	28 860	28 860	1 866	-	-	-
Travel and subsistence	148 291	138 476	136 945	63 825	101 563	121 262	118 075	123 776	134 347
Training and development	8 273	3 484	1 364	5 692	5 692	1 427	3 123	3 410	2 070
Operating payments	33 348	83 407	7 816	27 892	150 892	214 512	157 154	170 455	174 778
Venues and facilities	15 684	12 758	8 244	14 886	14 886	7 541	9 443	9 666	10 045
Rental and hiring	1 222	1 048	418	-	-	620	-	-	-
Interest and rent on land	1	-	4	-	-	5	-	-	-
Interest	1	-	4	-	-	5	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	36 032	96 024	104 752	94 762	88 762	93 150	93 910	99 169	104 623
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	22 030	78 139	83 257	88 762	88 762	89 497	93 910	99 169	104 623
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	9 424	12 030	15 680	6 000	-	-	-	-	-
Households	4 578	5 855	5 815	-	-	3 653	-	-	-
Social benefits	4 578	5 855	5 815	-	-	3 653	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	780	325	328	-	-	204	-	-	-
Buildings and other fixed structures	-	208	-	-	-	-	-	-	-
Buildings	-	208	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	780	117	328	-	-	204	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	780	117	328	-	-	204	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 280 950	1 418 730	1 316 238	1 379 533	1 529 533	1 551 602	1 566 379	1 657 803	1 743 908

Table 5.J : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 560 051	1 415 639	1 418 425	1 718 663	1 929 481	1 929 287	1 902 037	1 957 447	2 079 670
Compensation of employees	45 133	41 026	69 097	79 291	68 553	64 082	120 515	100 588	104 789
Salaries and wages	45 064	40 840	66 836	79 076	68 338	63 835	120 300	100 373	104 574
Social contributions	69	186	2 261	215	215	247	215	215	215
Goods and services	1 514 918	1 374 569	1 349 328	1 639 372	1 860 928	1 865 205	1 781 522	1 856 859	1 974 881
Administrative fees	1 299	1 961	1 262	1 350	1 350	3 340	2 584	2 684	2 717
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	12	14	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 223	1 640	1 574	1 700	1 700	1 893	3 151	3 161	3 164
Communication (G&S)	-	-	-	3 000	3 000	829	3 000	3 000	3 000
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	653	492	4 194	-	-	-	-	-	-
Contractors	993	285	-	-	-	120	-	-	-
Agency and support / outsourced services	1 257 334	1 288 984	1 242 558	1 266 297	1 383 104	1 383 718	1 368 028	1 444 772	1 559 254
Entertainment	55	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	2 662	20	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	4 049	4 780	10 611	2 117	450	3 710	1 000	1 200	1 266
Inventory: Materials and supplies	300	665	156	-	-	-	-	-	-
Inventory: Medicine	28 559	150	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	33 345	21 078	53 005	26 600	26 600	27 331	27 060	27 130	24 603
Consumable supplies	435	279	116	39 500	39 500	39 570	39 798	39 802	39 803
Consumable: Stationery, printing and office supplies	3 746	2 723	832	2 385	7 385	6 281	2 165	2 165	2 165
Operating leases	68	132	86	42 000	60 100	60 077	150	240	253
Property payments	140 527	1 591	195	79 999	161 119	161 131	158 628	152 224	152 224
Transport provided: Departmental activity	4 260	2 668	1 755	2 190	2 498	2 642	-	-	-
Travel and subsistence	22 301	23 856	19 750	14 240	24 978	32 545	24 878	27 520	30 977
Training and development	11 016	7 709	8 420	38 943	30 093	28 202	33 623	35 571	38 032
Operating payments	1 351	10 776	3 193	115 151	115 151	110 576	113 014	113 114	113 147
Venues and facilities	3 038	1 582	1 222	3 900	3 900	2 811	4 443	4 276	4 276
Rental and hiring	354	542	379	-	-	429	-	-	-
Interest and rent on land	-	44	-	-	-	-	-	-	-
Interest	-	44	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	22 924	12 178	15 680	6 000	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	22 924	12 178	15 680	6 000	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 264 906	1 967 209	2 006 833	1 848 711	1 760 700	1 760 894	1 675 635	1 608 891	1 805 882
Buildings and other fixed structures	1 264 906	1 967 178	2 006 568	1 827 871	1 728 751	1 728 751	1 652 891	1 585 829	1 782 518
Buildings	1 264 906	1 967 178	2 006 568	1 817 871	1 718 751	1 718 751	1 652 891	1 585 829	1 782 518
Other fixed structures	-	-	-	10 000	10 000	10 000	-	-	-
Machinery and equipment	-	31	265	16 840	27 349	27 543	18 744	19 062	19 364
Transport equipment	-	-	-	6 840	7 379	7 379	3 750	4 500	4 748
Other machinery and equipment	-	31	265	10 000	19 970	20 164	14 994	14 562	14 616
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	4 000	4 600	4 600	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 847 881	3 395 026	3 440 938	3 573 374	3 690 181	3 690 181	3 577 672	3 566 338	3 885 552

Table 5.K : Payments and estimates by economic classification: Education Infrastructure grant (Prog 6: Infr. Dev.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	122 169	11 505	38 462	175 275	274 395	274 395	213 544	208 815	208 815
Compensation of employees	-	11 505	19 351	28 276	28 276	28 276	29 916	31 591	34 118
Salaries and wages	-	11 505	17 401	28 276	28 276	28 276	29 916	31 591	34 118
Social contributions	-	-	1 950	-	-	-	-	-	-
Goods and services	122 169	-	19 111	146 999	246 119	246 119	183 628	177 224	174 697
Catering: Departmental activities	-	-	5	-	-	-	-	-	-
Inventory: Other supplies	-	-	17 443	25 000	25 000	25 000	25 000	25 000	22 473
Operating leases	-	-	-	42 000	60 000	60 000	-	-	-
Property payments	122 169	-	-	79 999	161 119	161 119	158 628	152 224	152 224
Travel and subsistence	-	-	1 613	-	-	-	-	-	-
Operating payments	-	-	50	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 263 612	1 967 178	2 006 568	1 817 871	1 718 751	1 718 751	1 652 891	1 585 829	1 782 518
Buildings and other fixed structures	1 263 612	1 967 178	2 006 568	1 817 871	1 718 751	1 718 751	1 652 891	1 585 829	1 782 518
Buildings	1 263 612	1 967 178	2 006 568	1 817 871	1 718 751	1 718 751	1 652 891	1 585 829	1 782 518
Machinery and equipment	-	-	181	-	-	-	-	-	-
Other machinery and equipment	-	-	181	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 385 781	1 978 683	2 045 211	1 993 146	1 993 146	1 993 146	1 866 435	1 794 644	1 991 333

Table 5.L : Payments and estimates by economic classification: HIV and AIDS (Life-Skills Education) grant (Prog 7: Exam. and Educ. Rel. Serv.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Current payments	76 259	38 558	39 324	50 115	56 115	56 115	58 922	62 155	65 450
Compensation of employees	350	12 141	19 733	30 195	25 457	21 859	30 195	33 520	33 520
Salaries and wages	313	12 020	19 496	29 980	25 242	21 639	29 980	33 305	33 305
Social contributions	37	121	237	215	215	220	215	215	215
Goods and services	75 909	26 417	19 591	19 920	30 658	34 256	28 727	28 635	31 930
Administrative fees	1 285	650	798	500	500	2 167	1 234	1 234	1 234
Catering: Departmental activities	1 195	1 471	1 422	900	900	948	2 301	2 301	2 301
Contractors	993	285	-	-	-	-	-	-	-
Agency and support / outsourced services	2 413	690	356	-	-	414	900	900	900
Entertainment	55	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	2 662	20	-	-	-	-	-	-
Inventory: Learner and teacher support material	1 539	861	941	450	450	1 820	-	-	-
Inventory: Material and supplies	300	5	156	-	-	-	-	-	-
Inventory: Medicine	28 559	150	-	-	-	-	-	-	-
Consumable supplies	435	279	116	-	-	70	280	280	280
Consumable: Stationery, printing & office supplies	2 907	966	292	250	250	590	30	30	30
Transport provided: Departmental activity	4 143	2 517	1 584	2 190	2 190	1 866	-	-	-
Travel and subsistence	20 533	5 971	10 602	7 880	18 618	21 860	18 675	18 750	22 045
Training and development	8 255	3 321	1 082	850	850	1 427	500	500	500
Operating payments	514	4 884	651	4 500	4 500	1 465	1 864	1 864	1 864
Venues and facilities	2 429	1 163	1 192	2 400	2 400	1 188	2 943	2 776	2 776
Rental and hiring	354	542	379	-	-	429	-	-	-
Transfers and subsidies	9 424	12 030	15 680	6 000	-	-	-	-	-
Non-profit institutions	9 424	12 030	15 680	6 000	-	-	-	-	-
Payments for capital assets	-	-	70	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	70	-	-	-	-	-	-
Other machinery and equipment	-	-	70	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	85 683	50 588	55 074	56 115	56 115	56 115	58 922	62 155	65 450

Table 5.M : Payments and estimates by economic classification: National School Nutrition Programme (NSNP) grant (Prog 2: Public. Ord. Sch. Ed.)

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Current payments	1 253 708	1 287 003	1 246 976	1 433 247	1 549 054	1 549 054	1 534 878	1 611 622	1 726 104
Compensation of employees	180	-	-	12 900	6 900	6 900	13 700	13 700	13 700
Salaries and wages	180	-	-	12 900	6 900	6 900	13 700	13 700	13 700
Goods and services	1 253 528	1 286 959	1 246 976	1 420 347	1 542 154	1 542 154	1 521 178	1 597 922	1 712 404
Administrative fees	6	7	25	-	-	202	-	-	-
Minor assets	-	14	-	-	-	-	-	-	-
Catering: Departmental activities	28	-	43	-	-	-	-	-	-
Legal costs	653	492	4 194	-	-	-	-	-	-
Agency and support / outsourced services	1 252 453	1 285 785	1 242 202	1 266 297	1 383 104	1 383 104	1 367 128	1 443 872	1 558 354
Inventory: Learner and teacher support material	-	97	-	-	-	-	-	-	-
Consumable supplies	-	-	-	39 500	39 500	39 500	39 500	39 500	39 500
Consumable: Stationery, printing & office supplies	-	300	147	2 000	7 000	5 395	2 000	2 000	2 000
Operating leases	68	132	86	-	-	77	-	-	-
Property payments	260	33	-	-	-	-	-	-	-
Travel and subsistence	50	87	243	1 050	1 050	3 689	1 050	1 050	1 050
Training and development	-	-	-	1 000	1 000	1 000	1 000	1 000	1 000
Operating payments	-	12	6	110 500	110 500	109 064	110 500	110 500	110 500
Venues and facilities	10	-	30	-	-	123	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	44	-	-	-	-	-	-	-
Interest	-	44	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	31	-	16 840	17 840	17 840	-	-	-
Buildings and other fixed structures	-	-	-	10 000	10 000	10 000	-	-	-
Other fixed structures	-	-	-	10 000	10 000	10 000	-	-	-
Machinery and equipment	-	31	-	6 840	7 240	7 240	-	-	-
Transport equipment	-	-	-	6 840	6 840	6 840	-	-	-
Other machinery and equipment	-	31	-	-	400	400	-	-	-
Software and other intangible assets	-	-	-	-	600	600	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 253 708	1 287 034	1 246 976	1 450 087	1 566 894	1 566 894	1 534 878	1 611 622	1 726 104

Table 5.N : Payments and estimates by economic classification: Maths, Science and Technology grant (Prog 2: Public. Ord. School Ed.)

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Current payments	60 816	59 850	63 454	47 660	38 660	38 660	43 021	47 056	49 497
Goods and services	60 816	59 850	63 454	47 660	38 660	38 660	43 021	47 056	49 497
Administrative fees	8	1 304	439	850	850	971	850	850	850
Minor assets	12	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	169	104	800	800	945	800	800	800
Communication (G&S)	-	-	-	3 000	3 000	829	3 000	3 000	3 000
Contractors	-	-	-	-	-	120	-	-	-
Agency and support / outsourced services	2 468	2 509	-	-	-	200	-	-	-
Inventory: Learner and teacher support material	2 510	3 822	9 670	-	-	653	-	-	-
Inventory: Material and supplies	-	660	-	-	-	-	-	-	-
Inventory: Other supplies	33 345	21 078	35 562	1 600	1 600	2 331	2 060	2 130	2 130
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing & office supplies	839	1 457	393	135	135	296	135	135	135
Property payments	15 650	217	-	-	-	-	-	-	-
Transport provided: Departmental activity	117	151	171	-	-	776	-	-	-
Travel and subsistence	1 670	17 796	7 291	5 310	5 310	6 996	2 703	4 780	4 780
Training and development	2 761	4 388	7 338	34 314	25 314	22 996	31 823	33 711	36 152
Operating payments	837	5 880	2 486	151	151	47	150	150	150
Venues and facilities	599	419	-	1 500	1 500	1 500	1 500	1 500	1 500
Transfers and subsidies	13 500	148	-	-	-	-	-	-	-
Non-profit institutions	13 500	148	-	-	-	-	-	-	-
Payments for capital assets	1 294	-	14	14 000	23 000	23 000	18 182	17 582	17 582
Buildings and other fixed structures	1 294	-	-	-	-	-	-	-	-
Buildings	1 294	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	14	10 000	19 000	19 000	14 182	13 582	13 582
Other machinery and equipment	-	-	14	10 000	19 000	19 000	14 182	13 582	13 582
Software and other intangible assets	-	-	-	4 000	4 000	4 000	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	75 610	59 998	63 468	61 660	61 660	61 660	61 203	64 638	67 079

Table 5.O : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces (Prog 2: Public. Ord. Sch. Ed.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Current payments	5 518	3 000	27 365	4 808	4 808	4 808	27 004	-	-
Compensation of employees	3 022	3 000	27 364	4 808	4 808	4 808	27 004	-	-
Salaries and wages	2 990	2 965	27 296	4 808	4 808	4 785	27 004	-	-
Social contributions	32	35	68	-	-	23	-	-	-
Goods and services	2 496	-	1	-	-	-	-	-	-
Property payments	2 448	-	-	-	-	-	-	-	-
Travel and subsistence	48	-	1	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 518	3 000	27 365	4 808	4 808	4 808	27 004	-	-

Table 5.P : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 2: Public. Ord. School Ed.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Current payments	-	2 644	2 844	2 000	2 000	1 806	2 000	-	-
Compensation of employees	-	1 301	2 649	2 000	2 000	1 806	2 000	-	-
Salaries and wages	-	1 271	2 643	2 000	2 000	1 802	2 000	-	-
Social contributions	-	30	6	-	-	4	-	-	-
Goods and services	-	1 343	195	-	-	-	-	-	-
Property payments	-	1 341	195	-	-	-	-	-	-
Travel and subsistence	-	2	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	194	-	-	-
Machinery and equipment	-	-	-	-	-	194	-	-	-
Other machinery and equipment	-	-	-	-	-	194	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	2 644	2 844	2 000	2 000	2 000	2 000	-	-

Table 5.Q : Payments and estimates by economic classification: Learners with Prof. Intel. Disabilities Grant (Prog 4: Public. Spec. Sch. Edu.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Current payments	-	-	-	5 558	4 449	4 449	22 668	27 799	29 804
Compensation of employees	-	-	-	1 112	1 112	433	17 700	21 777	23 451
Salaries and wages	-	-	-	1 112	1 112	433	17 700	21 777	23 451
Goods and services	-	-	-	4 446	3 337	4 016	4 968	6 022	6 353
Administrative fees	-	-	-	-	-	-	500	600	633
Catering: Departmental activities	-	-	-	-	-	-	50	60	63
Inventory: Learner and teacher support material	-	-	-	1 667	-	1 237	1 000	1 200	1 266
Consumable supplies	-	-	-	-	-	-	18	22	23
Operating leases	-	-	-	-	100	-	150	240	253
Transport provided: Departmental activity	-	-	-	-	308	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	2 450	2 940	3 102
Training and development	-	-	-	2 779	2 929	2 779	300	360	380
Operating payments	-	-	-	-	-	-	500	600	633
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	1 109	1 109	4 562	5 480	5 782
Machinery and equipment	-	-	-	-	1 109	1 109	4 562	5 480	5 782
Transport equipment	-	-	-	-	539	539	3 750	4 500	4 748
Other machinery and equipment	-	-	-	-	570	570	812	980	1 034
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	5 558	5 558	5 558	27 230	33 279	35 586

Table 5.R : Payments and estimates by economic classification: OSD for Education Sector Therapists grant (Prog 4: Public. Spec. Sch. Edu.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Current payments	41 581	13 079	-	-	-	-	-	-	-
Compensation of employees	41 581	13 079	-	-	-	-	-	-	-
Salaries and wages	41 581	13 079	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	41 581	13 079	-	-	-	-	-	-	-

VOTE 6

Provincial Treasury

Operational budget	R648 922 205
Remuneration of the MEC	R 1 977 795
Total amount to be appropriated	R650 900 000
Responsible Executive Authority	MEC for Finance
Administering department	Provincial Treasury
Accounting officer	Accountant-General

1. Overview

Vision

The vision of the department is: *Be the centre of excellence in financial and fiscal management in the country.*

Mission statement

The department's mission is: *To enhance the KZN Provincial Government's service delivery by responding to the expectations of all stakeholders in the value chain as a key driver through:*

- Optimum and transparent allocation of financial resources while enhancing revenue generation and financial management practices in compliance with applicable legislation and corporate governance principles.
- Competent and dedicated employees who are at the centre of ensuring best value to their stakeholders.

Strategic objectives

Strategic policy direction: The Provincial Treasury will ensure a credible distribution of available funds between departments taking cognisance of the demands for social services and the need to stimulate economic development and growth, and will commit to provide ongoing, effective and efficient support services to internal and external clients. The department will analyse and monitor government revenue and expenditure in the provincial and local spheres, including public entities, undertake robust public policy research and instill prudent financial management and good governance.

The department has set the following goals and strategic objectives:

- To promote sound financial management practices and fiscal management through good governance.
- To ensure targeted financial resources allocation and utilisation that contributes to improved service delivery.
- To enhance the capacity and capability of Supply Chain Management (SCM) in departments, municipalities and public entities to eliminate irregular expenditure.
- To focus on the enhancement of broad-based Black Economic Empowerment (B-BBEE) through effective SCM policies.
- To monitor and facilitate infrastructure delivery in the province and thereby contribute towards job creation.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To promote sound cash management practices and improve liquidity in the province.

Core functions

The core functions of the department include the following:

- Mobilisation of funds for the provincial government.
- Allocation of fiscal resources to provincial departments.
- Preparation of annual and MTEF budgets.
- Province-wide cash management.
- Internal audit.
- Provincial financial management in terms of the PFMA and MFMA through:
 - Budget monitoring and reporting.
 - Financial accounting.
 - Financial systems maintenance.
- Provision of advice on procurement policies and procedures in provincial government.

Legislative mandate

The department is governed by the following pieces of legislation and policy directives, among others:

- Annual Division of Revenue Act
- Borrowing Powers of Provincial Governments Act (Act No. 48 of 1996)
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Municipal Finance Management Act (MFMA) (Act No. 56 of 2003)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (PPPFA)
- Provincial Internal Audit Act (Act No. 2 of 2001)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Audit Act (Act No. 25 of 2004)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Provincial Appropriation Acts
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Sustainable Resource Management

Infrastructure: In line with National Treasury guidelines for planning, budgeting and delivery of infrastructure, the unit for the first time published the *Estimates of Capital Expenditure (ECE) 2017/18*. This publication was tabled by the MEC for Finance when she tabled the main budget for the financial year. The *ECE* provides a list of all infrastructure projects that the provincial departments are planning to deliver over the MTEF. The unit continued to provide support on infrastructure reporting using the Infrastructure Reporting Model (IRM), Infrastructure Delivery Management System (IDMS), and the Provincial Infrastructure Master Plan (PIMP). The unit further ensured that provincial departments report progress in implementing infrastructure projects and programmes on a monthly basis using the IRM, as well as institutionalising the Infrastructure Delivery Management System (IDMS). The National Treasury instruction note, known as the Standard for Infrastructure Procurement and Delivery Management (SIPDM), received particular attention with the unit facilitating the drafting of the Infrastructure Procurement Policy. Continued technical support was provided towards the development and finalisation of the KZN PIMP. The deployment of the Infrastructure Crack Team continued to be a priority, with projects including the renovations of the Royal palaces which were carried over from the previous

financial year, as well as various projects in municipalities to assist with proper asset registers for infrastructure.

Economic Analysis: The unit continued to produce economic and public policy research, participated in various academic conferences and workshops, undertook district municipality profiling and delivered economic presentations throughout the province. It also provided informative analysis of the provincial Socio-economic Review and Outlook (SERO), Provincial Economic Review and Outlook (PERO) and contributed to municipalities' Integrated Development Plans (IDPs). It provided support to the MEC's office by writing speeches and forewords for presentations and publishing.

Public Finance: The 2017/18 main budget was finalised and tabled on time as stipulated by the PFMA. The main budget was accompanied by the tabling of the *2017/18 Estimates of Provincial Revenue and Expenditure (EPRE)*. This publication provides in-depth analysis of the provincial budget performance per department over the last three years, covers the current financial year and contains plans for the next three years. The unit continued to monitor and report on the performance of the budget and service delivery achievements for all 14 departments, the provincial legislature and 16 public entities to National Treasury, the Provincial Executive Committee, as well as to the Finance Portfolio Committee (FPC). Oversight Committees such as the Provincial Executive Committee, and FPC were briefed on the mid-year and close-out budget performance of the province. The sub-programme also continues to oversee the implementation of cost-cutting measures on non-core items such as events.

Financial Management

Asset and Liabilities Management: Funds were made available to provincial departments as required, in line with their cash flow forecasts and as per the equitable share and conditional grants received from National Treasury. The cash blocking system continued to ensure effective cash management by the departments, as they are unable to disburse payments to suppliers unless they have cash available.

Public Private Partnerships (PPP): The unit continued to provide support on the exit strategy in respect of the Inkosi Albert Luthuli Central Hospital (IALCH), as well as the five-year review and five-year strategy for the iLembe District Municipality water sanitation concession, and assisted in negotiating a supplementary agreement with Sencorp Siza Water. EDTEA registered a project in September 2016 to explore the feasibility and optimal institutional model to develop a public transport solution linking King Shaka International Airport to the cities of Durban, Pietermaritzburg, Richards Bay and Port Shepstone.

Supply Chain Management: The unit provided operational support to departments, municipalities and public entities with regard to SCM policies and procedures and conducted compliance assessments to determine the necessary support interventions and the provision of training, where required. The roll-out of the Contract Management Project (CMP) continued in the municipalities, which included the deployment of Provincial Treasury resources to various municipalities.

The unit continued with the I-Develop project, the Provincial Bids Appeal Tribunal matters and the Municipal Bids Appeal Tribunal (MBAT) training in municipalities, including the provision of active support in the hearing and facilitation of MBAT matters.

Accounting Services: The unit continued to provide financial management support to provincial departments, public entities and municipalities. The support, particularly to identified municipalities and provincial departments, was instrumental in sustaining and improving the 2016/17 audit outcomes. Provincial Treasury once again obtained a clean audit report for the Provincial Revenue Fund for 2016/17, and this is the ninth consecutive clean audit report.

Norms and Standards: The unit was invited by National Treasury to participate in the reference group for National Treasury's Diagnostic Compliance Tool and the Financial Management Capability Maturity Model (FMCMM). This is aimed at assisting the unit to place a concerted focus on compliance monitoring and evaluation within departments, municipalities and public entities to assess financial management compliance and remedial assistance provided to address identified deviations to ensure improved financial management and control.

Support and Interlinked Financial Systems: The initiative to replace all biometric scanners in the province was successfully completed. The update to BAS V5 was successfully completed in April 2017.

Internal Audit

Assurances Services: Internal Audit Services were provided to provincial departments with specific focus on assisting with the enhancement of internal controls, thereby improving overall good governance. The unit conducted risk-based audits, performance audits focusing on value for money reviews, and IT audits.

Risk and Advisory Services: The unit continued to monitor departments' compliance to the minimum risk management standards, as well as follow up on the departments' implementation of recommendations emanating from various risk reports such as risk maturity, business continuity management (BCM), fraud prevention plans and occupational, health and safety (OHS).

Forensic Audit Services: The unit completed 30 investigations, and conducted 65 follow-ups to track the status of implementation of recommendations arising from forensic investigation reports. More detailed follow-up audits were conducted to assess the extent to which investigated entities are implementing forensic investigation recommendations. Fraud prevention strategies of all departments and public entities were reviewed.

Municipal Finance Management

Municipal Finance: The unit continued to provide technical support to municipalities in preparation of their budgets. The roll-out of the Municipal Support Programme (MSP) continued in 2016/17 with the unit assisting municipalities with various work streams, based on their individual needs. The 2017/18 draft budgets and adopted budgets of all the delegated municipalities were received and assessed for accuracy and compliance with the MFMA and Municipal Budget and Reporting Regulations (MBRR). A detailed assessment was done on the draft budgets in order to provide input into the final budgets and a further high level assessment was done on the adopted budgets of municipalities.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments. The bulk of the department's budget allocation over the 2018/19 MTEF is for financial governance (for general oversight of all departments, municipalities' and public entities' budget processes), internal audit, SCM, as well as support for transversal and interlinked financial systems.

Sustainable Resource Management

Economic Analysis: The unit will continue to undertake economic and public policy research, participate in various academic conferences and workshops, undertake district municipality profiling and deliver economic presentations throughout the province. It will also continue to support and facilitate strategic development projects, events and activities in the province.

Infrastructure: The unit will continue to assist and monitor infrastructure planning and delivery performance throughout the province. The IRM will be used to track infrastructure expenditure, while IDMS and SIPDM will continue to be focus areas. The unit will also provide technical support in the development of the PIMP. The unit will also focus on preparing the 2018/19 ECE.

Public Finance: The unit's functions are largely process driven and are governed by various legislative requirements. As such, the work often remains largely unchanged from year to year in terms of the processes that need to be undertaken. Accordingly, monitoring the spending of departments and public entities will continue in 2018/19, with the aim of keeping provincial spending within budget. The Provincial Executive Committee will continue to be kept informed of the province's budget performance.

Financial Governance

Asset and Liabilities Management: A support service will continue to be offered to departments in respect of pay roll tax and banking functions. The unit will maintain the current practice of monitoring all departmental bank balances on a daily basis to ensure effective cash flow management. Excess funds will be invested with the South African Reserve Bank (SARB) to ensure maximum interest is earned.

Public Private Partnerships: The PPP unit will continue to address the lack of capacity in departments and municipalities in identifying and managing PPP projects. The unit also aims to create and improve

relationships between various stakeholders in the PPP process in order to promote better PPP project flow, and to prevent projects taking place that are not considered to be value for money and/or affordable.

Supply Chain Management: The unit will continue to enforce compliance with all SCM prescripts in provincial departments, municipalities and public entities and establish and maintain a strategic link between financial management reforms and procurement processes. To this end, the unit will implement important SCM reforms in the outer years of the MTEF period. The unit will continue to provide operational support, review of SCM policies and provide training to departments, municipalities and public entities, administration of the Central Supplier Database (CSD), support on the e-Tender portal and undertake comprehensive compliance assessments to ensure that incidents of irregular expenditure relating to SCM processes are reduced. The unit will continue with the I-Develop project, Provincial Bids Appeal Tribunal matters and MBAT training in municipalities, including the provision of active support in the hearing and facilitation of MBAT matters.

Accounting Services: Continued focus will be on hands-on engagement and support to departments and public entities to enhance their financial accounting and reporting performance, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise.

Norms and Standards: The unit will provide further assistance to National Treasury in the development and implementation of the compliance to the FMCMM. This will be part of the unit's endeavours to place a concerted focus on compliance monitoring and evaluation within departments, municipalities and public entities, to assess financial management compliance and the remedial assistance provided to address identified deviations to ensure improved financial management and control.

Support and Interlinked Financial Systems: The biometrics system will be enhanced to allow for better reporting for audit and security purposes. This will be presented in the form of a dashboard to improve monitoring of the system.

Internal Audit

Assurance Services: The unit will continue to provide internal audit services to departments by performing risk-based audits, with specific focus on overall good governance. Continued focus will be given to performing IT audit reviews which will include reviews of network vulnerability, software licensing and IT spending.

Risk and Advisory Services: The unit will be rolling out the revised provincial risk policy and framework. The revised framework identifies enhanced risk management minimum standards to be complied with by departments. Risk management operation plans for all departments are aligned to the framework and the provincial risk policy and hence these activities will be monitored closely to ensure implementation.

Forensic Audit Services: More detailed follow-up audits will be conducted to assess the extent to which investigated entities are implementing forensic investigation recommendations. Fraud prevention plan strategies of all departments and public entities will also be reviewed.

Municipal Finance Management

Municipal Finance Management will be a stand-alone budget programme from 2018/19. This programme will be responsible for municipalities' budgets, accounting and reporting and the MSP.

4. Reprioritisation

The department undertook reprioritisation between all programmes, sub-programmes and economic classifications in order to align the budget to its strategic objectives and goals, taking into consideration the implementation of the new budget structure to ensure closer alignment to those of Treasuries.

In 2018/19, the baseline allocation for Programme 1: Administration was increased to cater for on-going projects within IT arising from the function split between the transversal IT such as PERSAL and BAS and IT Management, which includes SITA from Programme 3 to Programme 1 and this programme now provides for Special Interventions budget to client departments and this continues over the MTEF period.

Programmes 2: Sustainable Resource Management increases minimally over the MTEF mainly against *Compensation of employees* for posts that were within the Programme Support sub-programme and this was moved from Programme 5: Municipal Finance Management. Programme 3: Financial Governance undertook reprioritisation from *Interest and rent on land* within Asset and Liabilities Management sub-programme and moved this to the Support and Interlinked Financial Systems sub-programme for IT management for Computer Services.

5. Procurement

The department will continue to develop and implement a plan for procurement exceeding R500 000 and a demand management plan for procurement below R500 000 for 2018/19. The department aims to reduce the turn-around time for procuring goods and services. Internal controls, contract management and inventory management will be strengthened. All quotations and bids will be awarded in a manner which is fair, equitable, transparent, competitive and cost effective.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 6.1 shows the sources of funding for Vote 6 over the seven-year period from 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 6.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	514 768	611 038	586 154	607 844	606 344	606 344	635 400	677 272	721 408
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	514 768	611 038	586 154	607 844	606 344	606 344	635 400	677 272	721 408
Total payments	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408
Surplus/(Deficit) before financing	(116 181)	6 388	(9 961)	-	(25 025)	(12 843)	(15 500)	-	-
Financing of which									
Provincial roll-overs	24 765	218	-	-	10 525	10 525	-	-	-
Provincial cash resources	124 807	69 062	42 000	-	14 500	14 500	15 500	-	-
Surplus/(Deficit) after financing	33 391	75 668	32 039	-	-	12 182	-	-	-

The amount of R24.765 million against provincial roll-overs in 2014/15 relates to roll-overs from 2013/14 for the Strategic Cabinet Initiatives Fund (R6.382 million), the construction of the Shayamoya eco-complex (R13.062 million), and the light industrial park at Bhongweni (R5.321 million).

The provincial cash resources of R124.807 million in 2014/15 include additional allocations for Msunduzi electricity-related development projects, the Infrastructure Crack Team, irregular expenditure projects, Infrastructure Delivery Improvement Programme (IDIP), Operation Pay-on-Time, Education capped leave, AFS training, Operation Clean Audit, the e-Procurement Tool, IALCH floor repairs, Strategic Cabinet Initiatives Fund, and carry-through of previous years' wage agreements.

The under-spending in 2014/15 was mainly due to delays in filling posts and slow spending on the MSP due to unresolved disputes with some service providers.

In 2015/16, the provincial cash resources of R69.062 million comprise suspensions from the previous financial year relating to additional funding for IDIP, Operation Pay-on-Time, Operation Clean Audit, e-Procurement Tool, special audits, forensic investigations, Shayamoya eco-complex, the Bhongweni light industrial park and IALCH floor repairs. An amount of R218 000 was rolled over in respect of the payment of invoices from 2014/15 for the Msunduzi electricity-related development projects.

The under-spending in 2015/16 was mainly due to non-filling of vacant posts, invoices being withheld as a result of unsatisfactory service delivery from service providers, and adherence to cost-cutting measures.

The amount of R42 million against provincial cash resources in 2016/17 comprises once-off additional funding for IDIP Technical Advisors (TAs), Operation Pay-on-Time, Operation Clean Audit, e-Procurement Tool and CMP, as well as funding for the replacement of biometric scanners and the IALCH floor repairs.

The 2016/17 budget was under-spent by R32.039 million mainly in respect of the non-filling of various vacant posts, such as that of Directors: SCM (Asset Management and Loss Control) and Financial Management, as well as two Deputy Directors in IT Management and various Budget Analyst posts.

In 2017/18, approval was granted for a roll-over of R10.525 million from 2016/17, mainly relating to performance audits and forensic investigations taking longer than anticipated, as well as some service providers submitting invoices too late for payment in 2016/17. Several adjustments were made to the department's budget, as summarised below:

- Additional funding of R14.500 million was allocated in the 2017/18 Adjusted Appropriation for the Treasury/Health assistance plan, with a further R15.500 million allocated in 2018/19, from provincial cash resources.
- Offsetting the above amount was a suspension of R1.500 million in both 2017/18 and 2018/19 from Vote 6 to Vote 11: COGTA toward the Mandela Day Marathon. This is reflected against equitable share.

The 2017/18 Revised Estimate shows that the department is anticipating ending the year with under-spending of R12.182 million mainly in respect of the non-filling of vacant posts, due to the moratorium on the filling of posts and lengthy recruitment processes, as well as delays in receiving invoices.

The departmental budget shows steady growth over the 2018/19 MTEF.

6.2 Departmental receipts collection

Table 6.2 gives a summary of the departmental receipts for Vote 6. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	322	345	352	226	226	415	227	228	235
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	1	-	-	-	-	-	-
Interest, dividends and rent on land	309 569	391 253	284 822	216 842	216 842	310 732	295 219	299 501	314 793
Sale of capital assets	39	790	119	192	192	356	203	204	210
Transactions in financial assets and liabilities	2 513	4 027	3 594	385	385	711	407	410	422
Total	312 443	396 415	288 888	217 645	217 645	312 214	296 056	300 343	315 660

Sale of goods and services other than capital assets is derived from parking fees, game licences, and commission on PERSAL deductions such as insurance premiums and garnishees, tender fees and replacement of lost office property, etc. The revenue growth is conservative over the MTEF due to its unpredictable nature.

Interest, dividends and rent on land mainly relates to interest earned on the Paymaster General (PMG) and inter-governmental cash coordination (IGCC) accounts. The significant improvement in collection against this category in prior years is due to the collective implementation of cost-cutting measures by provincial departments. The high revenue collection in the 2017/18 Revised Estimate was derived from interest earned on positive cash balances and the 2018/19 MTEF revenue budget was adjusted upwards in line with this higher collection trend.

Sale of capital assets relates to the disposal of redundant assets, such as vehicles, office equipment, etc. The department anticipates disposing of motor vehicles and office equipment over the 2018/19 MTEF, in line with its asset disposal policy.

Transactions in financial assets and liabilities comprises recoveries from staff debts such as breached bursary contracts. The high collection in prior years' and the 2017/18 Revised Estimate was due to reversed salary over-payments and payment of private telephone calls relating to previous years, inter-

departmental claims in respect of consultants that were deployed to prepare Interim Financial Statements, movable and immovable asset registers for other departments. The revenue growth is conservative over the MTEF due to its unpredictable nature.

6.3 Donor and agency funding

Table 6.3 and 6.4 provides information on donor funding received and expenditure by the department from 2015/16 to 2018/19, as well as the expenditure incurred.

Table 6.3 : Details of donor and agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Donor funding	-	7 073	57 227	78 400	102 942	102 942	155 383	-	-
Development of KwaZulu-Natal Science Parks	-	7 073	34 527	78 400	78 400	78 400	-	-	-
EU Global Fund: Fight against HIV/AIDS, TB & Malaria	-	-	22 700	-	24 542	24 542	155 383	-	-
Agency receipt	-	-	131	240	240	240	-	-	-
PSETA	-	-	131	240	240	240	-	-	-
Total	-	7 073	57 358	78 640	103 182	103 182	155 383	-	-

Table 6.4 : Details of donor funding and agency funding payment and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Donor funding	-	7 073	45 685	78 400	114 248	114 484	155 383	-	-
Development of KwaZulu-Natal Science Parks	-	7 073	34 291	78 400	78 400	78 636	-	-	-
EU Global Fund: Fight against HIV/AIDS, TB & Malaria	-	-	11 394	-	35 848	35 848	155 383	-	-
Agency receipt	-	-	131	240	240	240	-	-	-
PSETA	-	-	131	240	240	240	-	-	-
Total	-	7 073	45 816	78 640	114 488	114 724	155 383	-	-

In total, KZN received a R120 million grant from the EU related to the development of KZN Science Parks and the project was supposed to run from 2014/15 to 2016/17, however, the three-year term was extended to 2017/18. Three sites have started with fencing, and building construction. The Pietermaritzburg site has not as yet received a Record of Decision for the Environmental Impact Assessment, therefore it is envisaged that no construction will take place this financial year. Both the Port Shepstone and Newcastle technology hubs are progressing well, as is the one in Richards Bay, with overall progress to date at 96 per cent completion. The roof metal sheeting for the Port Shepstone project is almost done, as such construction at these three hubs is expected to be completed in 2018/19.

Provincial Treasury is one of the eight recipients of the Global Fund programme for the period 1 April 2016 to 31 March 2019 (three years). The main objective of the grant is to address the social and structural drivers of HIV and TB prevention, care and impact, preventing new HIV, STI and TB infections, sustaining health and wellness, as well as ensuring protection of human rights and improving access to justice. The allocation for this project is R202.625 million over the 3 years. It is noted that this source of donor funding was inadvertently omitted from the 2017/18 EPRE.

In respect of PSETA, the department was allocated R240 000 in 2017/18 for work integrated learning, whose aim is to support 20 students from TVET colleges with a stipend of R2 000 per student per month for a period of 18 months which ended in June 2017. This allocation gave learners the opportunity to do in-service training in the department in their area of study.

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification.

Further details are given in Section 8 below, as well as in the *Annexure – Vote 6: Provincial Treasury*.

7.1 Key assumptions

The Gaming and Betting budget was suspended from Vote 6: Provincial Treasury and allocated to Vote 1: OTP relating to the movement of both the KZNGBB and the administration unit dealing with Gaming and Betting with effect from 28 September 2016, as determined by Premier's Minute No. 2 of 2016.

The department applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- In terms of the National Treasury's guidelines, the cost of living adjustment is 8 per cent in 2018/19, 7.8 per cent in 2019/20 and 8 per cent in 2020/21, including the 1.5 per cent pay progression. However, the department provided for a growth in *Compensation of employees* of 12 per cent in 2018/19, 6 per cent in 2019/20 and 6 per cent in 2020/21. The substantial growth in 2018/19 caters for the implementation of the department's proposed new organisational structure and the filling of vacant critical posts. The growth in 2019/20, which is below National Treasury's guidelines, will be reviewed by the department in the next budget process.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 6.5 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 6.5 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(32 488)	(49 477)	(52 627)	(55 574)	(58 631)
Above-budget 2015 wage agreement	4 254	4 555	4 888	5 162	5 446
Replacement of biometric scanners	12 000	-	-	-	-
IALCH floor repairs	3 000	-	-	-	-
Freezing all vacant non-OSD posts	(44 037)	(47 032)	(50 230)	(53 043)	(55 960)
Cutting events' budgets	(340)	(340)	(340)	(359)	(379)
2% Goods and services cut	(7 365)	(6 660)	(6 945)	(7 334)	(7 737)
2017/18 MTEF period		(3 559)	(3 982)	501	529
PES and Provincial Own Revenue reductions		(2 583)	(2 953)	(5 237)	(5 525)
Budget cuts to fund remuneration of <i>Izinduna</i>		(976)	(1 029)	(1 086)	(1 146)
Additional funding from National Treasury		-	-	6 824	7 199
2018/19 MTEF period			14 000	-	6 886
Suspension of Mandela Day Marathon to Vote 11			(1 500)	-	-
Treasury/Health assistance plan			15 500	-	-
Above-budget wage agreement			-	-	6 886
Total	(32 488)	(53 036)	(42 609)	(55 073)	(51 216)

In 2016/17, an amount of R51.742 million was removed from the department due to the freezing of all vacant non-OSD posts, cutting events' budgets, and implementation of a 2 per cent cut on *Goods and services*. Offsetting these reductions was additional funding of R19.254 million for the following:

- R4.254 million in 2016/17 for the carry-through of the above-budget 2015 wage agreement with carry-through.
- R12 million in 2016/17 for the replacement of biometric scanners in all departments.
- R3 million in 2016/17 for IALCH floor repairs.

With regard to the 2017/18 MTEF, the department's budget was reduced due to the following:

- In 2017/18, there was a reduction of the PES allocation due to data updates of the PES formula, fiscal framework reductions, as well as a downward revision of the Provincial Own Revenue. The department's budget cut amounted to R2.583 million with carry-through and was effected proportionately across all programmes and economic classifications.

- As determined by the Provincial Executive Committee on 2 November 2016, the province commenced the process of the remuneration of *Izinduna* in compliance with previously issued Presidential proclamations. The *Izinduna's* remuneration budget was partly funded (50 per cent) through an internal reprioritisation by COGTA and the balance of 50 per cent funded through a proportional cut against all the remaining Votes. As a result, the department's budget is reduced by R976 000 with carry-through. This was proportionately effected against all programmes against *Goods and services*.
- Offsetting these cuts to some extent was additional funding of R6.824 million provided by National Treasury in the outer year.

With regard to 2018/19 MTEF, R1.500 million is removed from the department's budget in 2018/19 only due to the suspension of funds for the Mandela Day Marathon to COGTA, in line with the commitment made by the MEC for Finance.

Offsetting this suspension is an allocation of R15.500 million for the Treasury/Health assistance plan. The Executive Statement presented by the MEC for Finance in the Provincial Legislature on 22 June 2017 indicated that Provincial Treasury would provide support to the DOH. Part of this assistance requires the allocation of resources in areas such as Internal Control and Accounting Services. This is additional to an amount of R14.500 million that was allocated in the 2017/18 Adjustments Estimate. These funds are specifically and exclusively allocated for this purpose.

There is an additional allocation of R6.886 million that is allocated by National Treasury in the outer year (2020/21) to cater for the above-budget wage agreement.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The Provincial Treasury's budget will accordingly be cut by R2.856 million in the 2018/19 Adjustments Estimate.

In 2012/13, additional funds were allocated for improving infrastructure support. Although no longer visible in Table 6.5, this funding was specifically and exclusively appropriated and the department utilises this funding for the Infrastructure Crack Team, which provides infrastructure support in the province. Thus amounts of R8.575 million, R9.072 million and R10.060 million remain ring-fenced for this purpose over the 2018/19 MTEF.

7.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes. The department is now largely aligned to the generic programme structure of the sector. It has been agreed between National Treasury and the department that negotiations in this regard will continue in 2017/18 as the organisational structure is not yet fully aligned in the following areas: Programme 1: Administration is fully aligned with the exception of the Internal Audit sub-programme, Programme 2: Sustainable Resource Management is fully aligned except that it excludes the Fiscal Policy sub-programme. Programme 3: Financial Governance is partially aligned as it still maintains SCM and PPP sub-programmes, which are not in the uniform budget structure. Programme 5: Growth and Development has fallen away and has been replaced by Municipal Finance Management, and it is permissible in terms of the sector structure for this to be a separate programme.

Table 6.6 provides a summary of the structural changes that were made in an attempt to improve the alignment to the generic structure of Provincial Treasuries.

As of 2017/18, the budget of Vote 6: Provincial Treasury no longer includes the Gaming and Betting function, and all prior figures were adjusted and restated accordingly.

Table 6.6 : Reconciliation of structural changes: Provincial Treasury

2017/18	2018/19
1. Administration	1. Administration
Office of the MEC	Office of the MEC
Head of Department	Management Services (HOD)
Chief Financial Office	Financial Management (Office of the CFO)
Corporate Services	Corporate Services
2. Fiscal Resource Management	2. Sustainable Resource Management
Programme Support	Programme Support
Economic Analysis	Economic Analysis
Public Finance	Public Finance
Municipal Finance	
3. Financial Management	3. Financial Governance
Cash Management and Liabilities	Programme Support
Public, Private Partnerships	Asset and Liabilities Management
Supply Chain Management	Public, Private Partnerships
Financial Reporting	Supply Chain Management
Norms and Standards	Accounting Services (Financial Reporting)
Support and Interlinked Financial Systems	Norms and Standards
Gaming and Betting	Supporting and Interlinked Financial Systems
4. Internal Audit	4. Internal Audit
Assurance Services	Programme Support
Risk Management	Assurance Services
Forensic Services	Risk Management
	Forensic Services
5. Growth and Development	5. Municipal Finance Management
Budget Communication	Programme Support
Special Infrastructure Projects	Municipal Budget
Strategic Cabinet Initiatives	Municipal Accounting and Reporting
Special Projects	Municipal Support Programme

Tables 6.7 and 6.8 provide a summary of the Vote's payments and budgeted estimates over the seven-year period, by programme and by economic classification, respectively.

Table 6.7 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	157 027	145 589	159 101	174 080	175 564	173 703	192 377	193 258	210 775
2. Sustainable Resource Management	39 062	38 257	43 866	38 875	40 744	40 372	40 657	43 122	45 495
3. Financial Governance	268 035	240 163	207 210	213 820	212 389	206 708	209 602	220 541	232 687
4. Internal Audit	130 420	134 604	132 745	123 888	145 491	142 612	144 555	152 845	161 232
5. Municipal Finance Management	36 405	46 037	53 193	57 181	57 181	55 792	63 709	67 506	71 219
Total	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408

Table 6.8 : Summary of payments and estimates by economic classification: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	575 075	569 228	583 277	590 094	613 379	601 433	628 832	655 662	698 678
Compensation of employees	208 675	227 845	252 383	287 664	284 003	276 178	308 148	327 307	345 764
Goods and services	366 400	341 383	330 300	300 696	328 642	324 521	317 184	326 855	351 314
Interest and rent on land	-	-	594	1 734	734	734	3 500	1 500	1 600
Transfers and subsidies to:	41 016	21 041	8 077	10 755	5 755	5 711	3 095	2 947	3 105
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	4	7	-	-	-	-	-	-
Non-profit institutions	1 365	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Households	7 856	6 394	4 189	1 626	1 617	1 625	2 173	1 934	2 042
Payments for capital assets	14 854	14 037	4 740	6 995	12 235	12 043	18 973	18 663	19 625
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 854	14 037	4 740	6 995	12 235	12 043	18 823	18 405	19 353
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	150	258	272
Payments for financial assets	4	344	21	-	-	-	-	-	-
Total	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408

It is noted that, in the 2016/17 Adjustments Estimate, the Gaming and Betting function was suspended from Vote 6: Provincial Treasury and was allocated to Vote 1: OTP. This function shift related to the movement of both the KZN Gaming and Betting Board (KZNGBB) and the administration unit dealing with Gaming and Betting. The full budget was moved over the 2017/18 MTEF, and the full revenue budget also moved to Vote 1. In this report, all prior year and MTEF amounts have been restated for comparative purposes, meaning that information relating to the Gaming and Betting function is now included under Vote 1: OTP. As such, Programme 3: Financial Governance's figures were also restated.

Programme 1: Administration shows an increase from 2016/17 to 2017/18 mainly due to the filling of vacant funded posts. The increase in the 2017/18 Adjusted Appropriation is mainly due to the separation of functions between the sub-programmes: Support and Interlinked Financial Systems in Programme 3 and Corporate Services (which includes IT Management Support) in Programme 1. The former Programme 5: Growth and Development is now under the Management Services sub-programme. The baseline increase over the 2018/19 MTEF is due to the shifting of the Special Projects sub-programme from Programme 5 to the Management Services sub-programme, as well as inflationary growth. The Management Services sub-programme includes some commitment on special intervention projects, including the Treasury/ Health assistance plan (see Section 6 above).

Programme 2: Sustainable Resource Management shows a decrease from 2016/17 to 2017/18 due to a once-off payment of a salary backpay in 2016/17. The Municipal Finance sub-programme was moved from this programme and established as Programme 5: Municipal Finance Management and historical figures were restated. The increase over the MTEF is inflationary and caters for the Infrastructure Crack Team, the IDIP Technical Advisors, and the Public Finance, Infrastructure, and Economic Analysis units.

Programme 3: Financial Governance reflects a decrease in 2016/17 mainly as a result of the relocation of the PERSAL Mainframe time server from Pietermaritzburg SITA to Centurion, as well as the function shift of IT Management support to Programme 1. The decrease in the 2017/18 Adjusted Appropriation was mainly due to the virement of funds to IT Management for computer services. The increase over the MTEF is inflationary.

Programme 4: Internal Audit shows an increase in the 2017/18 Adjusted Appropriation mainly due to a roll-over from 2016/17, as well as additional funding for *Compensation of employees* and outstanding commitments mainly for risk assessments and OHS reviews. The increase over the MTEF is inflationary.

Programme 5: Municipal Finance Management is a new programme that strengthens the department's alignment to the generic budget structure for all Treasuries. The programme also includes the MSP as a sub-programme to provide municipalities with support such as project implementation and VAT. This function was previously housed as a sub-programme under Programme 2 and the comparative figures were restated. The increase in 2017/18 and over the MTEF is inflationary.

The increase against *Compensation of employees* from 2015/16 to 2016/17 was due to the filling of vacant posts, as well as annual wage adjustments. The department made provision for salaries for contract personnel that will be working on certain departmental projects, such as TAs working on IDIP, Operation pay-on-time, as well as learners, and interns, etc. The increase in 2017/18 and over the MTEF is inflationary, as well as for vacant posts to be filled. The 2018/19 MTEF provides for the carry-through costs of the previous wage adjustments and the 1.5 per cent pay-progression. The department continues with the drive to use contract employees at the DPSA salary levels and scales instead of using consultants with the aim to realise savings from this approach in the next few years. As such, this category will be reviewed in-year by the department. In 2018/19, *Compensation of employees* will grow by 12 per cent, which is 5.5 per cent higher than National Treasury's recommended wage adjustment rate. There are 72 vacant posts such as Director for Support and Interlinked Financial Systems and PPP, Director: Forensic Investigations, Corporate Investigators, Risk Management Specialists, Director: SCM (Asset Management and Loss Control), and Provincial Budget Co-ordinator, among others. The department has not made sufficient budget provision to ensure that 69 critical vacant posts are filled in 2018/19 MTEF. The item grows by 6 per cent in 2019/20 and 2020/21. These growth rates are not sufficient to provide for the filling of all the vacant posts and will be reviewed in-year.

The decrease against *Goods and services* from 2016/17 to 2017/18 was mainly due to additional funding in 2016/17 for consultants in the Internal Audit unit. The substantial increase in the 2017/18 Adjusted Appropriation is due to a roll-over from the previous year, as well as the additional funding in respect of the Treasury/ Health assistance plan. The increased allocation over the 2018/19 MTEF is inflationary.

There was no expenditure against *Interest and rent on land* in 2014/15 and 2015/16 as a result of the improvement in the provincial cash balances. This resulted in a lower interest provision, hence the decrease from the 2017/18 Main to Adjusted Appropriation. The negative growth over the MTEF is mainly due to the previously mentioned budget cuts, with minimal provision made for interest payments remaining in the event that the province goes back into overdraft and thus incurs interest charges.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2014/15 was mainly for Shayamoya eco-complex, Bhongweni light industrial park, as well as Msunduzi electricity development. The allocation in 2015/16 is in respect of the payment of motor vehicle licenses, as well as a provision for once-off special infrastructure projects which included Msunduzi electricity-related development projects, the Bhongweni light industrial park, and the Shayamoya eco-complex. The allocation in 2017/18 and over the MTEF is for motor vehicle licences.

Transfers and subsidies to: Public corporations and private enterprises relates to payments to third parties in respect of claims made against the state as a result of car accidents involving officials.

The amounts against *Transfers and subsidies to: Non-profit institutions* from 2014/15 to 2016/17 catered for the transfer payments made to NPOs such as Coastal Horse Care Unit and the Financial Literacy Programme, which is now an independent entity called the Financial Literacy Association (FLA). An amount of R3.150 million was budgeted for the FLA in 2016/17. The decrease in 2017/18 Adjusted Appropriation is attributable to the suspension of funds to COGTA towards the Mandela Marathon Event as mentioned. The allocation over the 2018/19 MTEF is for donations towards schools, crèches, and old age homes as part of OSS.

Transfers and subsidies to: Households caters for staff exit costs, injury on duty, as well as bursaries for non-employees. This category includes funding for the Thuthuka Bursary Fund for SAICA students which was discontinued from 2018/19. The fluctuations can be ascribed to the difficulty in budgeting for this category due to its uncertain nature. The allocations over the MTEF cater mainly for external bursaries.

Spending against *Machinery and equipment* occurs on a cyclical basis, hence the fluctuating trend against this category. The higher amount in 2014/15 relates to the upgrade of the server refresher hardware in respect of the department's computer network system. The high spending in 2015/16 was mainly due to the installation of biometric servers, the configuration at Treasury House, purchase of departmental vehicles, as well as the replacement of boardroom furniture at Nomalanga Building. The allocation in 2017/18 and over the MTEF is mainly a provision for the purchase of departmental vehicles, as well as the replacement of computers and furniture in line with the replacement policy.

Payments for financial assets relates to the write-off of staff debts, such as the breach of bursary contracts and lost and stolen computers.

7.4 Summary of conditional grant payments and estimates – Nil

7.5 Summary of infrastructure payments and estimates

Table 6.9 summarises the infrastructure payments and estimates relating to the department. The infrastructure budget of the department is placed solely against *Infrastructure transfers: Capital*.

The expenditure of R31.665 million in 2014/15 comprises R13.321 million for the Bhongweni light industrial park, R5.282 million for Msunduzi electricity-related development projects, as well as R13.062 million for the Shayamoya eco-complex. The amount of R10.280 million in 2015/16 comprises R2.062 million for the Shayamoya eco-complex, R8 million for the Bhongweni light industrial park, and R218 000 for Msunduzi electricity-related development projects. Provincial Treasury is not currently undertaking any infrastructure projects nor are any planned over the MTEF period.

Table 6.9 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	-	-	-	-	-	-	-	-
Infrastructure transfers	31 665	10 280	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	31 665	10 280	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	31 665	10 280	-	-	-	-	-	-	-
Capital infrastructure	31 665	10 280	-	-	-	-	-	-	-
Current infrastructure	-	-	-	-	-	-	-	-	-

1. Non infrastructure is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other entities

Table 6.10 gives a summary of departmental transfers to other entities, details of which are given below.

Table 6.10 : Summary of departmental transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfers to public entities	-	-	-	-	-	-	-	-	-
Transfers to other entities	5 127	8 437	7 191	9 643	4 643	4 613	896	984	1 033
Coastal Horse Care Unit	-	860	269	-	-	-	-	-	-
Donations	138	398	438	520	955	903	896	984	1 033
Financial Literacy Association	-	3 082	3 150	3 585	3 150	3 150	-	-	-
Futurelife Foundation Trust	-	-	-	5 000	-	-	-	-	-
uMgungundlovu Academy of Sport	1 227	-	-	-	-	-	-	-	-
Thuthuka Bursary Fund	3 762	4 097	3 333	-	-	-	-	-	-
Total	5 127	8 437	7 190	9 105	4 105	4 053	896	984	1 033

A donation of R860 000 in 2015/16 was made towards the Coastal Horse Care Unit to cater for the education and rehabilitation relating to horses, and a further R269 000 in 2016/17. There is no provision made over the MTEF for further donations in this regard.

As a result of a change in the MEC's approach to community outreach, from 2014/15 onward, donations are made to co-operatives, old age homes, schools and NPOs. It is noted that donations include those made by the HOD in line with his OSS responsibilities.

From 2015/16 to 2017/18, funds are allocated by the department for transfer to the Financial Literacy Association (FLA). This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. There is no budget in 2018/19 as the MOU was for three years, starting from 2015/16 and ending in 2017/18.

In 2017/18, a donation of R5 million was planned to be made to the Futurelife Foundation Trust to provide porridge to the disadvantaged children in the uMgungundlovu District, where the MEC for Finance is a district champion in terms of OSS. However, this donation will no longer be made and it was reduced to zero in the Adjustments Estimate. This amount was not transferred to the Foundation in 2017/18 because the agreement and terms of reference were not finalised. The department requested a change of the purpose for these funds so that they can be utilised to offset spending pressures in other areas.

A once-off amount of R1.227 million in 2014/15 that was transferred to the uMgungundlovu Academy of Sport for various sports equipment and activities (these funds were paid on behalf of the DSR).

Transfers to the Thuthuka Bursary Fund amounted to R3.762 million in 2014/15, R4.097 million in 2015/16 and R3.333 million in 2016/17.

The Thuthuka Bursary Fund ceased from 2017/18 onward, because the agreement for which the funds were exclusively appropriated has come to an end.

7.8 Transfers to local government

Table 6.11 provides a summary of transfers to local government. It is noted that *Transfers to local government* includes funds in respect of motor vehicle licences. However, these funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 6.11 and 6.12.

The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.11 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	-	-	-	-	-	-	-	-	-
Category B	31 665	10 280	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	31 665	10 280	-	-	-	-	-	-	-

Table 6.12 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Shayamoya eco-complex	1.2.Office of the HOD	9 552	8 000	-	-	-	-	-	-	-
Bhongweni light industrial park	1.2.Office of the HOD	16 830	2 062	-	-	-	-	-	-	-
Msunduzi electricity-related dev	1.2.Office of the HOD	5 283	218	-	-	-	-	-	-	-
Total		31 665	10 280	-	-	-	-	-	-	-

Category B transfers provide for the development of the Shayamoya eco-complex, the Bhongweni light industrial park, as well as Msunduzi electricity-related development projects. There are no transfers to municipalities planned over the 2018/19 MTEF.

7.9 Transfers and subsidies

Table 6.13 is a summary of spending on *Transfers and subsidies* by programme and main category. *Transfers and subsidies* fluctuates over the seven-year period and reduces significantly over the 2018/19 MTEF due to the following:

- Amounts against *Provinces and municipalities* in Programme 1 are in respect of motor vehicle licence fees, as well as transfers to municipalities for different projects which ended in 2015/16, as explained in Section 7.8.
- *Departmental agencies and accounts* against Programme 1 relates to the payment of TV licences
- Transfers to *Non-profit institutions* in respect of both Programme 1 and Programme 3 have been explained in Section 7.7 above.
- *Public corporations and private enterprises* against Programme 1 and Programme 4 in 2016/17 relates to a third party claiming excess against the state for a motor vehicle accident.
- *Households* across all programmes caters for staff exit costs, and the external bursaries amount against *Households* under Programme 1 between 2014/15 and 2015/16 is an allocation toward the Thuthuka Bursary Fund, which is being discontinued, as mentioned. This is because the agreement for which the funds were exclusively appropriated has come to an end. However, the department will continue to provide external bursaries to needy and deserving students. The 2014/15 amount includes a severance package of R957 000 for the former MEC for Finance. The MTEF allocation for staff exit is high because it includes pension payouts relating to former development board members who took early retirement when the development boards were amalgamated with the Provincial Administration.

Table 6:13 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	38 779	19 304	7 484	9 767	4 853	4 919	2 050	1 795	1 889
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Motor vehicle licences	129	21	24	24	31	31	23	26	27
Shayamoya eco-complex	9 552	8 000	-	-	-	-	-	-	-
Development of light industrial park	16 830	2 062	-	-	-	-	-	-	-
Msunduzi electricity-related development	5 283	218	-	-	-	-	-	-	-
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
SABC TV Licences	1	2	-	-	2	2	3	3	3
Public corporations and private enterprises	-	-	7	-	-	-	-	-	-
Claims against the state	-	-	7	-	-	-	-	-	-
Non-profit institutions	138	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Financial Literacy Association	-	3 082	3 150	3 585	3 150	3 150	-	-	-
Futurelife Foundation Trust	-	-	-	5 000	-	-	-	-	-
Donations	138	398	438	520	955	903	896	984	1 033
Coastal Horse Care Unit	-	860	269	-	-	-	-	-	-
Households	6 846	4 661	3 596	638	715	833	1 128	782	826
Staff exit costs	3 084	564	263	100	177	273	100	106	112
Thuthuka Bursary Fund	3 762	4 097	3 333	-	-	-	-	-	-
External bursary	-	-	-	538	538	560	1 028	676	714
2. Sustainable Resource Management	-	50	-	-	67	67	-	-	-
Households	-	50	-	-	67	67	-	-	-
Staff exit costs	-	50	-	-	67	67	-	-	-
3. Financial Governance	2 067	975	492	885	654	552	939	1 040	1 098
Non-profit institutions	1 227	-	-	-	-	-	-	-	-
uMgungundlovu Academy of Sport	1 227	-	-	-	-	-	-	-	-
Households	840	975	492	885	654	552	939	1 040	1 098
Staff exit costs	840	975	492	885	654	552	939	1 040	1 098
4. Internal Audit	170	684	101	103	181	144	106	112	118
Public corporations and private enterprises	-	4	-	-	-	-	-	-	-
Third party claim (excess)	-	4	-	-	-	-	-	-	-
Households	170	680	101	103	181	144	106	112	118
Staff exit costs	170	680	101	103	181	144	106	112	118
5. Municipal Finance Management	-	28	-	-	-	29	-	-	-
Households	-	28	-	-	-	29	-	-	-
Staff exit costs	-	28	-	-	-	29	-	-	-
Total	41 016	21 041	8 077	10 755	5 755	5 711	3 095	2 947	3 105

8. Programme description

The services rendered by the department are categorised under five programmes, which are discussed below. The expenditure and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification. Details are given in *Annexure – Vote 6: Provincial Treasury*.

It must be noted that in 2017/18, the department was granted approval by National Treasury to deviate from the generic structure of Provincial Treasuries. Programme 5: Growth and Development was combined with Programme 1: Administration, and Municipal Finance which was previously part of Programme 2 is now established as a stand-alone Programme 5: Municipal Finance Management. The names of Programmes 2 and 3 were changed to fall in line with the generic structure. As already mentioned in Section 7.3, the structure is not yet fully aligned in some areas, except for Programme 1, which is fully aligned.

8.1 Programme 1: Administration

The purpose of this programme is to provide strategic support services in terms of financial management, human resources, auxiliary services, information communication and technology, and legal services.

The programme is largely in line with the generic structure with the exception of the exclusion of Internal Audit sub-programme, as mentioned.

It must be noted that Programme 5: Growth and Development was retrospectively incorporated into Programme 1 from the 2018/19 MTEF onward to ensure better alignment with the generic structure of Treasuries and the comparative figures were restated.

The main services under this programme are as follows:

- To support the Executive Authority in providing strategic and political direction to provincial departments, public entities, as well as municipalities.
- To provide the MEC with technical support on the appropriation of revenue, to ensure equitable distribution among provincial departments.
- To render financial and supply chain management functions to the department.
- To provide human resource management functions to the department.
- To render legal professional guidance in operational matters of the department.
- To deliver auxiliary services to the department, such as the telecom system, transport fleet management and control of registry.
- To provide IT services to Provincial Treasury.
- To provide funding for special projects and interventions.

Tables 6.14 and 6.15 provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2014/15 to 2020/21.

Table 6.14 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	29 687	26 491	29 124	33 371	31 871	33 385	28 506	31 594	33 333
2. Management Services (HOD)	46 687	39 105	27 580	29 447	23 345	22 675	46 263	37 530	46 480
3. Financial Management (CFO)	23 014	19 117	21 830	30 560	35 614	31 214	30 894	34 337	36 226
4. Corporate Services	57 639	60 876	80 567	80 702	84 734	86 429	86 714	89 797	94 736
Total	157 027	145 589	159 101	174 080	175 564	173 703	192 377	193 258	210 775

Table 6.15 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	114 903	124 094	148 999	158 938	165 136	163 868	178 049	178 933	195 666
Compensation of employees	55 836	59 586	67 170	83 766	80 923	76 015	87 152	94 099	99 324
Goods and services	59 067	64 508	81 829	75 172	84 213	87 853	90 897	84 834	96 342
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	38 779	19 304	7 484	9 767	4 853	4 919	2 050	1 795	1 889
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	7	-	-	-	-	-	-
Non-profit institutions	138	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Households	6 846	4 661	3 596	638	715	833	1 128	782	826
Payments for capital assets	3 345	2 113	2 598	5 375	5 575	4 916	12 278	12 530	13 220
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 345	2 113	2 598	5 375	5 575	4 916	12 128	12 272	12 948
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	150	258	272
Payments for financial assets	-	78	20	-	-	-	-	-	-
Total	157 027	145 589	159 101	174 080	175 564	173 703	192 377	193 258	210 775

The sub-programme: Office of the MEC, which includes security and communications, as well as parliamentary liaison, shows a steady increase throughout the seven-year period except in 2018/19 due to the fact that the transfer of funds to the FLA ends in 2017/18. The decrease from the 2017/18 Main to Adjusted Appropriation relates to the suspension of funds to Vote 11 in respect of the Mandela Marathon Event, as well as the non-transfer to Futurelife Foundation. Despite the MTEF cuts, the budget shows inflationary growth over the 2018/19 MTEF.

The sub-programme: Management Services (HOD) shows steady growth from 2016/17 to 2018/19. It must be noted that this sub-programme makes provision for a special interventions budget for client departments, public entities and municipalities should the need arise. The decrease from the 2017/18 Main

to Adjusted Appropriation is mainly due to funds that were moved from *Goods and services* in this sub-programme to offset spending pressures in the same category in other programmes. In 2017/18, there was an under-spending on special projects, including departmental interventions, as well as funds set aside for the tendering process/ procurement for the PPP Government Precinct and Legislature Complex. The growth over the 2018/19 MTEF is inflationary and provides for *Compensation of employees*, operational costs of running the HOD's office, replacement of machinery and equipment, as well as donations by the HOD in terms of his OSS responsibilities.

The sub-programme: Financial Management (CFO), which is responsible for various functions such as budget control, internal SCM, asset management, loss control, etc., reflects a steady increase apart from a spike in 2014/15 relating to payments made towards SIU investigations. The growth over the 2018/19 MTEF is inflationary and the budget provides for *Compensation of employees*, operational costs for the running of the Office of the CFO, as well as audit fees.

The sub-programme: Corporate Services reflects an increase from 2014/15 to 2020/21, and the significant increase in 2016/17 was mainly due to the function shift of IT Management support from Programme 3 to this sub-programme. The allocation in 2017/18 and over the MTEF is inflationary and provides for HR, legal services, strategic management and auxiliary services under this sub-programme. This includes providing for centralised costs such as operating leases for office accommodation, security services, fleet services, bursaries for employees and non-employees, legal fees, etc.

Compensation of employees shows an increasing trend over the seven-year period. This item increases by 15 per cent per cent in 2018/19, 8 per cent in 2019/20 and 6 per cent in 2020/21 to provide for filling of posts. These increases are in line with National Treasury wage adjustment rates in 2018/19 and 2019/20, with the exception of 2020/21, which is not in line with National Treasury's recommended rates and will be reviewed in the next budget process. The increase over the 2018/19 MTEF caters for the carry-through of previous wage agreements, contract employees, interns, learners, and in-service trainees, as well as the filling of critical vacant posts. There are 17 posts budgeted to be filled within Programme 1 over the 2018/19 MTEF, such as that of Human Resource Practitioner, Deputy Director: IT Management and Development, Parliamentary Liaison Officer, and IT Help Desk Co-ordinator. The increase over the MTEF is not sufficient to provide for the filling of all 17 posts, as well as the carry-through of previous wage agreement. The department will review its *Compensation of employees*' budget in next budget process.

The category *Goods and services* fluctuates throughout the seven-year period. The increase from the 2017/18 Main to Adjusted Appropriation is attributed to the provision towards the Treasury/Health assistance plan. The increase in 2018/19 is the continuation of the Treasury/Health assistant plan project and the growth in budget from 2019/20 is inflationary.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences, the Shayamoya eco-complex, development of light industrial park, and Msunduzi electricity-related development project.

The allocation against *Transfers and subsidies to: Non-profit institutions* is mainly in respect of transfers to the FLA and the Futurelife Foundation Trust, Coastal Horse Care Unit, as well as donations for the OSS outreach programme, as mentioned. The budget over the MTEF is for donations in terms of MEC's and HOD's OSS responsibilities.

Transfers and subsidies to: Households caters for staff exit costs, and external bursaries. For years prior to 2018/19, spending partly included transfers to the Thuthuka Bursary Fund which is being discontinued, as mentioned. Bursaries awarded to external and non-employees will continue over the MTEF.

The fluctuating trend against *Machinery and equipment* can be attributed to the cyclical nature of this category and includes the procurement of the MEC's and departmental vehicles. The 2018/19 MTEF provides for the replacement of departmental fleet.

Payments for financial assets was in respect of the write-off of staff debts.

8.2 Programme 2: Sustainable Resource Management

The programme is largely in line with the generic structure but the Fiscal Policy sub-programme is not being utilised.

The main purpose of the programme is to effectively manage and monitor the provincial and fiscal resources. The objectives and services of this programme are as follows:

- To ensure targeted financial resource allocation and utilisation that contributes to improved service delivery.
- To ensure efficient budget and expenditure management and accurate financial reporting by provincial departments and public entities.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To provide a platform to enhance regional economic growth and development through quality research.
- To ensure efficient planning and management of infrastructure in the province.

As mentioned, Municipal Finance Management was moved from Programme 2 and established as a stand-alone programme, namely Programme 5: Municipal Finance Management, with effect from 2018/19. All financial years have been restated.

Tables 6.16 and 6.17 provide a summary of payments and budgeted estimates pertaining to this programme for the period 2014/15 to 2020/21.

Table 6.16 : Summary of payments and estimates by sub-programme: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support	1 150	2 721	7 824	3 270	4 820	4 675	3 650	3 894	4 109
2. Economic Analysis	26 301	21 848	22 244	21 415	21 415	21 129	20 760	21 685	22 878
3. Public Finance	11 611	13 688	13 798	14 190	14 509	14 568	16 247	17 543	18 508
Total	39 062	38 257	43 866	38 875	40 744	40 372	40 657	43 122	45 495

Table 6.17 : Summary of payments and estimates by economic classification: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	38 874	37 997	43 567	38 654	40 456	40 106	40 499	42 956	45 325
Compensation of employees	21 411	27 951	34 957	30 377	33 179	33 011	34 259	36 773	38 963
Goods and services	17 463	10 046	8 016	8 277	7 277	7 095	6 240	6 183	6 362
Interest and rent on land	-	-	594	-	-	-	-	-	-
Transfers and subsidies to:	-	50	-	-	67	67	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	50	-	-	67	67	-	-	-
Payments for capital assets	188	208	299	221	221	199	158	166	170
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	188	208	299	221	221	199	158	166	170
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	2	-	-	-	-	-	-	-
Total	39 062	38 257	43 866	38 875	40 744	40 372	40 657	43 122	45 495

The sub-programme: Programme Support reflects a fluctuating trend over the seven years due to the non-filling of vacant posts. The substantial increase in 2016/17 relates to back pay salary costs. The growth over the MTEF is inflationary and provides for the operational costs for the office of the DDG: Sustainable Resource Management, as well as the office support team who provide administration and financial support to the programme as a whole.

The sub-programme: Economic Analysis includes funding for the Infrastructure Crack Team to assist departments, public entities and municipalities in the delivery of infrastructure projects, as well as additional funding for IDIP TAs. The budget for 2017/18 and over the 2018/19 MTEF provides for inflationary increases and pertains mainly to the Infrastructure Crack Team, IDIP TAs, conducting of infrastructure site visits, as well as the development of the PIMP. In addition to this, the Economic Analysis team compiles SEROs, PEROs, assists municipalities with IDPs, provides and facilitate a platform for economic information sharing, dialogues, debates and stakeholder participation, etc. The sub-programme is also responsible for the publication of the *ECE*.

The sub-programme: Public Finance shows a steady increase from 2014/15 and over the MTEF. The slight increase from 2018/19 is to cater for the filling of critical vacant posts, such as a Budget Co-ordinator post. The budget over the 2018/19 MTEF provides for the costs relating to the preparation of the *EPRE* and the *AEPRE*, as well as oversight over the provincial budget.

Compensation of employees shows steady growth from 2014/15 onward except for the spike in 2016/17 as a result of a salary back pay as mentioned. In 2018/19, this item grows by 4 per cent, which is less than the National Treasury recommended rate. The 2019/20 budget grows by 7 per cent, and 6 per cent in 2020/21, which is also not in line with National Treasury forecasts. The growth rate in 2018/19 and 2020/21 is not sufficient to provide for the filling of vacant posts and will be reviewed in-year. There are three posts to be filled under this programme, including that of a Budget Co-ordinator.

Goods and services fluctuates over the seven-year period. The 2018/19 MTEF includes funding for IDIP TAs, Infrastructure Crack Team, as well as the provision for the printing of the *EPRE*, *AEPRE*, *ECE* and *PERO*, etc.

Transfers and subsidies to: Households caters for staff exit costs.

The fluctuating trend against *Machinery and equipment* results from the fact that machinery and equipment are purchased on a cyclical basis. The budget over the 2018/19 MTEF provides mainly for the replacement of computers and laptops.

Payments for financial assets in 2015/16 was in respect of the write-off of staff debts that were deemed irrecoverable.

Service delivery measures: Sustainable Resource Management

Table 6.18 below illustrates the service delivery measures pertaining to Programme 2.

Note that there are no sector measures for this sector. Some of the outputs and performance indicator descriptions have been changed to ensure alignment with the department's 2018/19 APP. The department reviewed its service delivery measures for 2018/19, and hence four new targets are included, indicated by "New" in the 2017/18 column.

Table 6.18 : Service delivery measures: Sustainable Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2017/18	2018/19	2019/20	2020/21
1.1 Economic Analysis					
1.1.1 To determine and evaluate economic parameters and socio-economic imperatives to inform provincial and local resource allocation	<ul style="list-style-type: none"> No. of economic analysis reports for the province 	Produce 5 provincial dept. economic reports Produce 1 PERO Produce 1 SERO Produce 9 districts socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 PERO Produce 1 SERO Produce 9 districts socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 PERO Produce 1 SERO Produce 9 districts socio-economic reports	Produce 4 provincial dept. economic reports Produce 1 PERO Produce 1 SERO Produce 9 districts socio-economic reports
	<ul style="list-style-type: none"> Timeous Economic Analysis inputs to the <i>Estimates of Provincial Revenue and Expenditure (EPRE)</i> 	February 2018	February 2019	February 2020	February 2021

Table 6.18 : Service delivery measures: Sustainable Resource Management

Table 6.104: Service delivery measures: Sustainable Resource Management						
Outputs		Performance indicators	Estimated performance		Medium-term targets	
			2017/18	2018/19	2019/20	2020/21
1.1.2	To provide a platform to enhancing regional economic growth and development	<ul style="list-style-type: none">No. of quality research for regional policy analysis	Produce 6 economic research projects	Produce 4 economic research projects	Produce 4 economic research projects	Produce 4 economic research projects
1.1.3	Provide and facilitate a platform for economic information sharing, dialogue and debate and stakeholder participation	<ul style="list-style-type: none">No. of information sharing sessions conducted	New	8 information sharing sessions conducted	8 information sharing sessions conducted	8 information sharing sessions conducted
1.2	Infrastructure					
1.2.1	Efficient infrastructure management in KZN that contributes to effective economic and social infrastructure	<ul style="list-style-type: none">No. of assessment reports on the User Asset Management Plans (U-AMPs)	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs
1.2.2	To facilitate implementation and institutionalisation of the IDMS in all KZN provincial depts and municipalities	<ul style="list-style-type: none">No. of reports on the implementation of IDMS in KZN	Produce 4 reports on the implementation of IDMS in KZN	Produce 4 reports on the implementation of IDMS in KZN	Produce 4 reports on the implementation of IDMS in KZN	Produce 4 reports on the implementation of IDMS in KZN
		<ul style="list-style-type: none">No. of reports on the infrastructure site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted
		<ul style="list-style-type: none">No. of progress reports on infrastructure budgets and delivery plans using IRM data	Submit 4 reports on the infrastructure expenditure in KZN	Submit 4 reports on the infrastructure expenditure in KZN	Submit 4 reports on the infrastructure expenditure in KZN	Submit 4 reports on the infrastructure expenditure in KZN
		<ul style="list-style-type: none">Timeous Infrastructure input for EPRE	February 2018	February 2019	February 2020	February 2021
		<ul style="list-style-type: none">No. of Estimates for Capital Expenditure (ECE) developed and published	New	Develop and publish the ECE on time for tabling with the annual provincial budget	Develop and publish the ECE on time for tabling with the annual provincial budget	Develop and publish the ECE on time for tabling with the annual provincial budget
1.2.3	To assist and provide technical support to the development of the KZN Provincial Infrastructure Master Plan	<ul style="list-style-type: none">No. of assessment reports on the Infrastructure Programme Management Plan (IPMP) compiledNo. of reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework	New Produced 4 reports on the infrastructure mechanisms in the province	Compile a consolidated assessment report on annual infrastructure plans Produce 4 reports on the infrastructure mechanisms in the province	Compile a consolidated assessment report on annual infrastructure plans Produce 4 reports on the infrastructure mechanisms in the province	Compile a consolidated assessment report on annual infrastructure plans Produce 4 reports on the infrastructure mechanisms in the province
2.	Public Finance					
2.1	Provincial Budget Management					
2.1.1	Promote effective and optimal financial resource allocation for provincial govt.	<ul style="list-style-type: none">No. of chapters in MTEC report	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable	1 report with 15 chapters completed 1 working day before MTEC as per budget process timetable
		<ul style="list-style-type: none">Timeous tabling of EPRE	EPRE on time for tabling	March 2019	March 2020	March 2021
		<ul style="list-style-type: none">Timeous tabling of Adjusted Estimates of Provincial Revenue and Expenditure (AEPRE)	AEPRE on time for tabling	November 2018	November 2019	November 2020
2.1.2	Ensure efficient budget and expenditure management and accurate financial reporting for provincial govt. (incl. public entities)	<ul style="list-style-type: none">No. of section 32 report (Monthly provincial IYM report	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)
		<ul style="list-style-type: none">No. of quarterly performance reports for provincial depts	3 quarterly performance reports	4 quarterly performance reports	4 quarterly performance reports	4 quarterly performance reports
2.2	Provincial Own Revenue					
2.2.1	Promote optimal and sustainable revenue generation and collection by provincial depts and public entities	<ul style="list-style-type: none">No. of quarterly Provincial Revenue Forums conducted and co-ordinated	1 Forum per year	1 Forum per year	1 Forum per year	1 Forum per year
		<ul style="list-style-type: none">No. of revenue quarterly performance report	3 revenue quarterly performance reports	4 revenue performance reports per annum	4 revenue performance reports per annum	4 revenue performance reports per annum
		<ul style="list-style-type: none">Timeous revenue input into Overview of Provincial Revenue and Expenditure (OPRE) and EPRE	November 2017 and March 2018	March 2018	March 2019	March 2020

Table 6.18 : Service delivery measures: Sustainable Resource Management

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
2.3 Special Advisory Support Services					
2.3.1 Promote effective and optimal financial resource allocation for provincial govt. (including public entities)	<ul style="list-style-type: none"> Timeous input into the revision and maintenance of Division Of Revenue Act (DORA) No. of reports on institutionalising framework for the monitoring of provincial public entities No. of MTEC reports completed 	November 2017 48 1 report with 16 chapters completed 1 day before MTEC	November 2018 2 1 report completed 1 day before MTEC	November 2019 2 1 report completed 1 day before MTEC	November 2020 2 1 report completed 1 day before MTEC

8.3 Programme 3: Financial Governance

It must be noted that the programme's name and some of its sub-programme names have been changed following attempts to ensure better alignment to the generic budget structure of all Treasuries as from 2018/19. The programme is not yet completely in line with the generic structure of Treasuries. In respect of the sector structure, this programme also includes Provincial Internal Audit and excludes Assets and Liabilities Management, PPP and SCM, with these sub-programmes falling under other programmes.

The purpose of this programme is to ensure effective and efficient management of physical and financial assets for provincial and local government.

The main services undertaken by this programme are:

- To ensure the effective and efficient management of assets and implementation of PPP projects.
- To realise the effective and efficient acquisition of goods and services for provincial government and to secure sound SCM for local government.
- To optimise liquidity requirements and maximise returns within acceptable levels of risk for provincial government and to secure sound cash management for local government.
- To ensure that financial reporting provides a full and true reflection of the financial position of the province and municipalities as prescribed, inclusive of the accounting responsibilities related to the PMG and IGCC account.
- To develop and implement financial and associated governance norms and standards, in order to enhance performance orientated financial results and accountability in provincial departments and municipalities as prescribed.
- To implement and support transversal financial systems across the province.

Tables 6.19 and 6.20 provide a summary of payments and budgeted estimates pertaining to Programme 3. The programme as a whole reflects a steady trend over the period, as explained in detail below.

Table 6.19 : Summary of payments and estimates by sub-programme: Financial Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support	-	-	-	-	-	-	3 892	4 235	4 468
2. Asset and Liabilities Management	12 125	13 931	14 101	17 070	18 335	18 385	19 219	14 969	15 809
3. Support and Interlinked Financial Systems	119 882	122 056	107 833	109 891	101 891	96 576	94 182	103 198	108 875
4. Supply Chain Management	70 492	52 062	39 769	44 272	44 276	44 472	44 731	47 735	50 360
5. Public, Private Partnerships	5 673	4 916	5 493	8 288	8 288	8 270	8 288	8 785	9 268
6. Accounting Services	55 847	42 626	35 087	28 331	33 631	33 060	32 668	34 535	36 433
7. Norms and Standards	4 016	4 572	4 927	5 968	5 968	5 945	6 622	7 084	7 474
Total	268 035	240 163	207 210	213 820	212 389	206 708	209 602	220 541	232 687

Table 6.20 : Summary of payments and estimates by economic classification: Financial Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	255 388	227 890	206 011	212 442	206 202	200 656	203 156	214 620	226 500
Compensation of employees	52 304	55 409	56 955	71 759	63 139	62 511	74 456	79 316	83 916
Goods and services	203 084	172 481	149 056	138 949	142 329	137 411	125 200	133 804	140 984
Interest and rent on land	-	-	-	1 734	734	734	3 500	1 500	1 600
Transfers and subsidies to:	2 067	975	492	885	654	552	939	1 040	1 098
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 227	-	-	-	-	-	-	-	-
Households	840	975	492	885	654	552	939	1 040	1 098
Payments for capital assets	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	61	-	-	-	-	-	-	-
Total	268 035	240 163	207 210	213 820	212 389	206 708	209 602	220 541	232 687

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Financial Governance programme. The post of the Accountant General and his secretary and their running costs fall under this sub-programme from 2018/19 onward. Historic figures of this sub-programme are not restated because this sub-programme was not included in previous financial years' structure and the financial records were not kept at this level.

The sub-programme: Asset and Liabilities Management shows a slight peak in 2017/18 mainly due to the increased number of speed point machines supplied to municipalities for payments of motor vehicle licences where municipalities are used as entities, which resulted in the increase in the bank charges. The 2018/19 MTEF provides mainly for the bank charges for the IGCC, as well as the provision for *Interest and rent on land* should the IGCC account go into overdraft, conducting of an annual tax information seminar with all departments and public entities, ensuring compliance of tax legislation, among others.

The sub-programme: Support and Interlinked Financial Systems includes costs relating to all transversal systems, such as BAS, PERSAL and HARDCAT for the entire province. This sub-programme provides technical and functional support with regard to the transversal systems. The funds over the 2018/19 MTEF will be utilised towards SITA charges, software licenses, systems development related costs, biometric access control system, as well as the operational costs of the business unit.

The sub-programme: Supply Chain Management shows a decrease in 2016/17 due to the suspension of some projects within this unit. There is a steady increase from the 2017/18 Adjusted Appropriation and over the 2018/19 MTEF. The MTEF provides mainly for CMP, MBAT, SCM support interventions in departments and municipalities, as well as the operational costs of the unit.

The sub-programme: Public, Private Partnerships shows flat growth over the MTEF, and provides for operational costs of the unit, as well as support to departments, municipalities and public entities.

The spending against the sub-programme: Accounting Services mainly provides for projects such as reconciliation of all provincial and municipal government accounts, Operation Pay-on-Time, which aims to improve payment of invoices by departments and to assist with the payment of arrear accounts to municipalities and service providers, etc. The 2018/19 MTEF provides for various operational costs of the unit, Operation Pay-on-Time, support to departments in respect of preparation and consolidating and reviewing of their AFS, preparing consolidated AFS, training of departments and municipalities, financial management assistance, as well as the inter-governmental debt project.

The sub-programme: Norms and Standards shows a steady increase. Funding over the 2018/19 MTEF mainly provides for various operational costs of the unit, as well as preparation of instruction notes and standard operating procedures for departments, public entities and municipalities, among others.

Compensation of employees shows a steady increase to 2016/17. The decrease in the 2017/18 Adjusted Appropriation was mainly due to funds reprioritised to other items as a result of spending pressures. The filling of critical funded posts is in line with the department's organisational structure taking into account the moratorium on the filling of posts. The budget grows by 19 per cent in 2018/19, followed by a growth rate of 7 per cent and 6 per cent in 2019/20 and 2020/21 respectively. The growth rate in 2019/20 and 2020/21 is not in line with National Treasury recommended rates and will be reviewed in the next budget process. The increase over the 2018/19 MTEF is ascribed to the inflationary wage adjustments with carry-through of the previous year's wage adjustment, as well as the filling of vacant posts over the 2018/19 MTEF. These posts include Director: Financial Management and Reporting, Assistant Director: HARDCAT Financial System Support, and Director: Supply Chain Management.

Goods and services reflects a fluctuating trend. The increase from the Main to Adjusted Appropriation was mainly due to higher than budgeted bank charges, as well as consultant fees. This category caters mainly for bank charges, computer services (SITA), and the bulk of this allocation is towards consultants and administration and support staff, as well as consumables. This allocation is shown under *Goods and services* instead of *Compensation of employees* because of a recommendation by National Treasury to reflect this expenditure under Consultants. This may be reviewed in the course of the year. The budget over the 2018/19 MTEF mainly provides for support to departments in respect of preparation and the review of AFS, as well as for the preparation of consolidated AFS for the province as a whole.

Transfers and subsidies to: Non-profit institutions: reflects an amount in 2014/15 which was a once-off payment made on behalf of the DSR for the uMgungundlovu Academy of Sport as already mentioned.

Transfers and subsidies to: Households provided for staff exit costs of pension payouts relating to former development board members who took early retirement when the development boards were amalgamated with the Provincial Administration. The increase over the MTEF is inflationary.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The amount reflected over the 2018/19 MTEF will be utilised toward the upgrade of the biometric servers, the hardware refresher servers, as well as the biometric access control system.

Payments for financial assets provides for the write-off of irrecoverable debts.

Service delivery measures: Financial Governance

Table 6.21 show the main service delivery measures for Programme 3. Note that there are no sector measures for this sector.

The department is largely following the measures used in previous years, with some of the outputs and performance indicator descriptions having been changed to ensure alignment with the department's 2018/19 APP.

Table 6.21 : Service delivery measures: Financial Governance

Table 6.2.1: Service delivery indicators: Financial Governance						
Outputs		Performance indicators	Estimated performance		Medium-term targets	
			2017/18	2018/19	2019/20	2020/21
1. Asset and Liabilities Management						
1.1.	To assist depts. in improving cash management	<ul style="list-style-type: none">No. of tax information seminars conducted annuallyNo. of risk analysis reports per dept. to ensure compliance to tax legislationNo. of quarterly assessment reports to depts. on status of bank related suspense accountsNo. of monthly bank reconciliations per dept.No. of quarterly reports on withdrawals from municipal bank accounts	1 session	1 session	1 session	1 session
			56 reports	56 reports	56 reports	56 reports
			56 assessment reports	56 assessment reports	56 assessment reports	56 assessment reports
			168 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation
			4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts

Table 6.21 : Service delivery measures: Financial Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
2. Public, Private Partnerships (PPP)						
2.1.	To provide technical, financial and legal advice in support of all provincial PPP projects in line with PPP project cycle as regulated by National Treasury guidelines	<ul style="list-style-type: none">Seminars/workshops conducted for provincial depts, public entities, municipalities, municipal entities and the private sectorNo. of reports for Provincial Treasury management and National Treasury PPP unitNo. of contract management reports on closed deals	2 12 12	2 12 12	2 12 12	2 12 12
3. Provincial Supply Chain Management						
3.1.	Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none">No. of SCM training sessions and information sessions conductedNo. of SCM compliance assessments conductedNo. of policies reviewed and updatedNo. of contract management analysis conducted	Conduct 12 SCM training, information sessions, workshops and forums for state institutions Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints Review and update 4 policies Conduct 212 contract management reviews for state institutions	Conduct 12 SCM training, information sessions, workshops and forums for state institutions Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints Review and update 4 policies Conduct 106 contract management reviews for state institutions	Conduct 12 SCM training, information sessions, workshops and forums for state institutions Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints Review and update 4 policies Conduct 106 contract management reviews for state institutions	Conduct 12 SCM training, information sessions, workshops and forums for state institutions Conduct 84 SCM assessments in depts, munic. and public entities and investigate complaints Review and update 4 policies Conduct 106 contract management reviews for state institutions
4. Accounting Services						
4.1.	To assist depts and public entities in the attainment of a clean audit outcome for the province	<ul style="list-style-type: none">Consolidated AFS for provincial depts to the LegislatureConsolidated AFS for public entities to the LegislatureTimeous submission of consolidated AFS for Revenue Fund to the LegislatureNo. of trainings conducted to provincial depts and public entities to strengthen financial managementNo. of progress reports on financial management support based on identified needs/audit findingsAnnual pre-audit review conducted on depts preparing AFS on MCS basisAnnual pre-audit review conducted on public entities	Audited Consolidated AFS for FY 2016/17 by 30 November 2017 Audited Consolidated AFS for FY 2016/17 by 30 November 2017 Audited Revenue Fund to A-G for FY 2016/17 by 30 November 2017 1 training workshop by 30 September 2017 Progress reports on financial management support based on specific requests received from depts Pre-audit review of AFS at depts preparing AFS on the MCS basis Pre-audit review of AFS at 7 public entities	Audited Consolidated AFS for FY 2017/18 tabled by 30 November 2018 to the Legislature Audited Consolidated AFS for FY 2017/18 tabled by 30 November 2018 to the Legislature Audited Consolidated AFS for FY 2017/18 submitted by 30 November 2018 to the Legislature 1 training workshop by 30 April 2018 3 progress reports on financial management support based on specific requests received from depts Pre-audit review of AFS at depts preparing AFS on the MCS basis Pre-audit review of AFS at 7 public entities	Audited Consolidated AFS for FY 2018/19 tabled by 30 November 2019 to the Legislature Audited Consolidated AFS for FY 2018/19 tabled by 30 November 2019 to the Legislature Audited Consolidated AFS for FY 2018/19 submitted by 30 November 2019 to the Legislature 1 training workshop by 30 April 2019 3 progress reports on financial management support based on specific requests received from depts Pre-audit review of AFS at depts preparing AFS on the MCS basis Pre-audit review of AFS at 7 public entities	Audited Consolidated AFS AG for FY 2019/20 tabled by 30 November 2020 to the Legislature Audited Consolidated AFS AG for FY 2019/20 tabled by 30 November 2020 to the Legislature Audited Consolidated AFS AG for FY 2019/20 submitted by 30 November 2020 to the Legislature 1 training workshop by 30 April 2020 3 progress reports on financial management support based on specific requests received from depts Pre-audit review of AFS at depts preparing AFS on the MCS basis Pre-audit review of AFS at 7 public entities
5. Norms and Standards						
5.1.	To develop, facilitate implementation and monitor compliance with financial norms and standards in provincial depts, municipalities and public entities	<ul style="list-style-type: none">No. of instruction notes/standard operating procedures/policies developed and reviewed for depts, municipalities and their respective entities	48 instruction notes, standard operating procedures and policies developed and/or reviewed based on needs analysis	12 standard operating procedures and 12 corresponding instruction notes reviewed for 14 departments and developed as required 12 policies reviewed for 2 identified municipalities and developed as required	12 standard operating procedures and 12 corresponding instruction notes reviewed for 14 departments and developed as required 12 policies reviewed for 2 identified municipalities and developed as required	12 standard operating procedures and 12 corresponding instruction notes reviewed for 14 departments and developed as required 12 policies reviewed for 2 identified municipalities and developed as required

Table 6.21 : Service delivery measures: Financial Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2017/18	2018/19	2019/20	2020/21
	• No. of depts/public entities assessed and monitored	All depts and 2 public entities assessed and monitored	14 depts assessed and monitored 2 entities assessed and monitored	14 depts assessed and monitored 2 entities assessed and monitored	14 depts assessed and monitored 2 entities assessed and monitored
6. Support and Interlinked Financial Systems					
6.1. To provide technical and functional support to supporting and interlinked financial systems	• MTTR (transversal systems)	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR

8.4 Programme 4: Internal Audit

The main purpose of the programme is to develop effective risk management strategies and governance, to build and maintain successful client relationships, to develop knowledge by creating a learning culture, and to build foundations for excellence to support the provincial government in achieving its objectives.

This programme is not as per sector structure as it is a sub-programme of Programme 1 in the generic structure of Treasuries.

The following services are rendered by the unit:

- To conduct risk assessments on behalf of the Accounting Officers and Chief Executive Officers of provincial departments and public entities, develop comprehensive risk profiles and recommend improvements on significant risk exposures for each client.
- To review accounting and management processes and systems of internal control for efficiency and effectiveness in terms of their design and operation and provide recommendations for improvement.
- To develop, facilitate implementation and monitor integrated risk management strategies and fraud prevention strategies.
- To conduct forensic investigations and facilitate prosecution, perform misconduct enquiries and recovery in liaison with other state law enforcement agencies.
- To provide training and development programmes in areas such as risk management, strategy development and management, project management, design and improvement of systems of internal control, financial management and reporting, leadership, forensic investigations, governance, etc.
- To provide a consulting function as per requests by relevant MECs and Heads of Departments.
- To prepare special reviews on computerised systems and performance.

Tables 6.22 and 6.23 provide a summary of payments and budgeted estimates pertaining to Programme 4.

Table 6.22 : Summary of payments and estimates by sub-programme: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support	-	-	-	-	-	-	3 575	3 729	3 934
2. Assurance Services	73 585	78 647	78 037	65 275	75 802	76 817	78 993	84 583	89 217
3. Risk Management	56 835	55 957	24 441	19 055	30 055	29 531	25 055	25 055	26 433
4. Forensic Services	-	-	30 267	39 558	39 634	36 264	36 932	39 478	41 648
Total	130 420	134 604	132 745	123 888	145 491	142 612	144 555	152 845	161 232

Table 6.23 : Summary of payments and estimates by economic classification: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	129 803	133 455	131 683	123 024	144 549	141 195	143 564	151 800	160 129
Compensation of employees	54 987	59 441	67 544	70 976	75 976	74 543	79 104	81 746	86 243
Goods and services	74 816	74 014	64 139	52 048	68 573	66 652	64 460	70 054	73 886
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	170	684	101	103	181	144	106	112	118
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	4	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	170	680	101	103	181	144	106	112	118
Payments for capital assets	443	262	960	761	761	1 273	885	933	985
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	443	262	960	761	761	1 273	885	933	985
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4	203	1	-	-	-	-	-	-
Total	130 420	134 604	132 745	123 888	145 491	142 612	144 555	152 845	161 232

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Internal Audit unit. The Head of Internal Audit, Secretary and the Office Manager are provided for under this sub-programme, as well as their running cost. The historic comparative figures under this sub-programme are not provided because the financial records were not kept at this level.

The sub-programme: Assurance Services runs a learnership programme for the Certified Internal Auditors (CIA) learners for a period of three years, per intake. The 2017/18 and MTEF allocation increase is inflationary and provides for various operational costs of the unit, provision for learners towards the CIA qualification, planned and previous audits such as IT, financial and governance audits, provision for the Cluster Audit and Risk Committee (CARC) members, as well as the audit of predetermined objectives of departments and some municipalities.

The sub-programme: Risk Management is responsible for promoting good governance in departments and municipalities with assessments, workshops and training on risk management and internal audit capacity building. The below inflationary growth over the 2018/19 MTEF is mainly due to separation of Forensic Services from the Risk Management sub-programme. The allocation over the MTEF mainly provides for consultants for various activities such as reviews on risk management maturity, OHS, fraud prevention plans, development of governance frameworks for client departments, training on risk/governance awareness, as well as operational costs including travelling and subsistence.

The sub-programme: Forensic Services has been a stand-alone sub-programme since 2016/17, after being separated from the Risk Management functions. The 2018/19 MTEF provides for various operational costs, as well as forensic audits and investigations. It must be noted that this function is demand-driven, either through requests from clients or through referrals from Assurance Services, hence a slight decrease in the baselines over the MTEF.

The increase against *Compensation of employees* of 6 per cent in 2018/19 relates to the appointment of learners studying towards the CIA qualification. This rate is not enough to provide for the filling of posts, and does not fully cater for existing staff's increments. In 2019/20 and 2020/21, the allocation expands at the rate of 3 per cent and 6 per cent respectively, which is not sufficient in comparison with the National Treasury inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, and the 1.5 per cent pay progression. The budget increase over the 2018/19 MTEF is not adequate to ensure that all 20 vacant posts in the unit are filled, and will thus have to be reviewed in-year. Some of the vacant posts to be filled include that of Corporate Investigators and Risk Management Specialists.

The expenditure against *Goods and services* over the seven-year period can be attributed to performance audits, fraud risk assessments, municipal financial capability assessments, capacity building workshops/training on risk management and internal control, training and development programmes including

learnerships, forensic investigations, IT risk assessments on the BAS application system and the development of general forensic guidelines. The allocation over the 2018/19 MTEF is inflationary.

Transfers and subsidies to: Households caters for staff exit costs.

Machinery and equipment is for the purchase of equipment and the replacement and upgrading of equipment. The fluctuating trend is due to its cyclical nature.

Payments for financial assets pertains to the write-off of irrecoverable staff debts.

Service delivery measures: Internal Audit

Table 6.24 illustrates the main service delivery measures for Programme 4.

The department reviewed its service delivery measures for 2018/19, and hence one new target is included, indicated by “New” in the 2017/18 column.

Table 6.24 : Service delivery measures: Internal Audit

Table 0.24 : Service delivery measures: Internal Audit						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21
1. Assurance Services						
1.1.	To provide an efficient, effective and economical assurance service	<ul style="list-style-type: none"> No. of IA annual operational plans and a rolling three-year strategic plan developed and approved No. of annual MEC Audit and Risk Committee report on clients' areas of risk management, governance and internal control No. of risk-based audit reports including follow up audit reports and reports on financial, IT, performance and governance audits No. of Audit Committee reports issued to Accounting Officers 	14	14	14	14
			1	1	1	1
			146	148	148	148
			New	28	28	28
1.2.	To build and maintain client relationships	<ul style="list-style-type: none"> No. of meetings held between clients and the CARC 	56	56	56	56
1.3.	To enhance capacity within and outside the unit	<ul style="list-style-type: none"> No. of training and development programmes attended No. of internal and/ independent external quality assurance reviews conducted 	8	8	8	8
			1	1	1	1
2. Risk Management						
2.1.	Promote good governance through effective risk management	<ul style="list-style-type: none"> No. of risk registers updated for provincial depts No. of reviews on risks management maturity depts No. of reviews of Occupational Health and Safety practices for depts and municipalities No. of reviews of business continuity practices for depts No. of risk-related/forums conferences held for provincial depts No. of reviews of the fraud prevention plans for depts and municipalities No. of risk related training/awareness provided to depts 	50	50	50	50
			30	30	30	30
			30	30	30	30
			30	30	30	30
			4	4	4	4
			20	20	20	20
			-	20	30	30
3. Forensic Services						
3.1	To promote a culture of zero tolerance for fraud and corruption	<ul style="list-style-type: none"> No. of forensic audits performed and investigations as per clients requests and referrals from assurance team No. of updated register of forensic investigations – MEC report No. of follow-ups on completed investigations per institution 	30	32	32	32
			4	4	4	4
			60	60	60	60

8.5 Programme 5: Municipal Finance Management

Programme 5 was established in 2018/19 in line with the new generic structure for all Treasuries, as mentioned, which makes provision for an integrated structure in respect of the Municipal Finance Management unit.

Municipal Finance was previously a sub-programme of Programme 2: Sustainable Resource Management. The budget figures were restated retrospectively. Functions previously performed under Programme 3: Financial Governance relating to municipalities still need to be incorporated under this programme. This will be undertaken in the 2018/19 Adjustments Estimate and over the 2019/20 MTEF, hence there are no amounts reflected in the prior years.

The Municipal Accounting and Reporting sub-programme is currently not allocated any budget but will be phased in once the required capacity has been obtained to assist, support and monitor municipalities with financial management and compliance with the annual reporting framework. The sub-programme also monitors and supports effective fixed asset management, monitors effective and efficient financial assets and liabilities management, as well as compliance with relevant legislation.

Tables 6.25 and 6.26 illustrate the payments and budgeted estimates pertaining to Programme 5.

Table 6.25 : Summary of payments and estimates by sub-programme: Municipal Finance Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support	-	-	-	-	-	-	3 351	3 641	3 841
2. Municipal Budget	36 405	46 037	53 193	57 181	57 181	55 792	27 813	29 432	31 051
3. Municipal Accounting and Reporting	-	-	-	-	-	-	-	-	-
4. Municipal Support Programme	-	-	-	-	-	-	32 545	34 433	36 327
Total	36 405	46 037	53 193	57 181	57 181	55 792	63 709	67 506	71 219

Table 6.26 : Summary of payments and estimates by economic classification: Municipal Finance Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	36 107	45 792	53 017	57 036	57 036	55 608	63 564	67 353	71 058
Compensation of employees	24 137	25 458	25 757	30 786	30 786	30 098	33 177	35 373	37 318
Goods and services	11 970	20 334	27 260	26 250	26 250	25 510	30 387	31 980	33 740
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	28	-	-	-	29	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	28	-	-	-	29	-	-	-
Payments for capital assets	298	217	176	145	145	155	145	153	161
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	298	217	176	145	145	155	145	153	161
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	36 405	46 037	53 193	57 181	57 181	55 792	63 709	67 506	71 219

The sub-programme: Programme Support is responsible for providing strategic leadership support to the Municipal Finance Management unit. The programme manager, the secretary and the office manager are provided for under this sub-programme, as well as their running costs.

The budget against the sub-programme: Municipal Budget includes providing support to delegated municipalities and to monitor the preparation and performance of municipal budgets, as well as the compliance by all delegated municipalities.

The sub-programme: Municipal Support Programme is established to assist and provide technical support to delegated municipalities. The MSP forms part of this sub-programme and is committed to supporting its clients and identifying methods to improve service delivery by assisting and supporting municipalities, as well as ensuring compliance with the MFMA and other relevant legislation. The programme also places emphasis on capacity building within the projects undertaken. The allocation over the 2018/19 MTEF is mainly for assisting and providing technical support to delegated municipalities to ensure sound financial management and sustainability.

The general increase against *Compensation of employees* relates to the filling of critical vacant posts. This item grows at 10 per cent in 2018/19, 7 per cent in 2019/20 and 5.4 per cent in 2020/21. Sufficient provision was made for the inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, and the 1.5 per cent pay progression, with the exception of the outer year which grows at less than inflation projection in 2019/21 and 2020/21. These rates will be reviewed in the next budget process.

The amounts reflected against *Goods and services* includes provision for projects such as the MSP, municipal budgets to assist and provide technical support to delegated municipalities, among others.

Transfers and subsidies to: Households relates to staff exits costs.

Machinery and equipment is for the purchase of equipment and the replacement and upgrading of equipment. The fluctuating trend is due to its cyclical nature.

Service delivery measures: Municipal Finance Management

Table 6.27 reflects the main service delivery measures pertaining to Programme 5. The department reviewed its service delivery measures for 2018/19, and hence four new targets are included, indicated by “New” in the 2017/18 column.

Table 6.27 : Service delivery measures: Municipal Finance Management

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21
5.1 Municipal Budget						
5.1.1	To ensure optimal and sustainable municipal budgets	<ul style="list-style-type: none">No. of tabled budgets evaluated and feedback provided to delegated municipalitiesNo. of approved budgets evaluated and feedback provided to delegated municipalitiesNo. of budget workshops	New New New	51 municipal tabled budgets evaluated 51 municipal approved budgets evaluated 1 budget related workshop	51 municipal tabled budgets evaluated 51 municipal approved budgets evaluated 1 budget related workshop	51 municipal tabled budgets evaluated 51 municipal approved budgets evaluated 1 budget related workshop
5.1.2	To ensure optimal implementation of budgets by municipalities and reporting on related compliance	<ul style="list-style-type: none">No. of Section 71(6) reports (monthly municipal IYM report) within the prescribed time frameNo. of Section 71(7) quarterly budget performance reportsNo. of Section 72 reports evaluated and feedback provided to delegated municipalitiesNo. of reports on the compliance with the applicable MFMA reporting requirementsNo. of Municipal Finance circulars issued	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports New New New	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports 51 Section 72 municipal reports evaluated 2 reports on the compliance with the applicable MFMA reporting requirements 5 Municipal Finance circulars	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports 51 Section 72 municipal reports evaluated 2 reports on the compliance with the applicable MFMA reporting requirements 5 Municipal Finance circulars	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports 51 Section 72 municipal reports evaluated 2 reports on the compliance with the applicable MFMA reporting requirements 5 Municipal Finance circulars
5.2. Municipal Support Programme						
5.2.1	To assist and provide technical support to delegated municipalities to ensure sound financial management and sustainability	<ul style="list-style-type: none">No. of municipalities supported by the MSPNo. of MSP projects implemented at target municipalitiesNo. of municipal support steering committee meetings conductedNo. of CFO Forums conductedNo. of circulars on the grant roll-over process	10 municipalities to be supported through the MSP Previously reported as no. of municipalities supported New New New	Reported as no. of projects from 2018/19 (as below) 10 projects to be implemented 4 quarterly meetings to monitor progress on MSP 4 quarterly CFO Forums 1 circular by 31 August 2018 on the grant roll over process	Reported as no. of projects from 2018/19 (as below) 10 projects to be implemented 4 quarterly meetings to monitor progress on MSP 4 quarterly CFO Forums 1 circular by 31 August 2019 on the grant roll over process	Reported as no. of projects from 2018/19 (as below) 12 projects to be implemented 4 quarterly meetings to monitor progress on MSP 4 quarterly CFO Forums 1 circular by 31 August 2020 on the grant roll over process

9. Other programme information

9.1 Personnel numbers and costs

Table 6.28 reflects personnel information per programme for Provincial Treasury, for the period March 2015 to March 2021.

The employees reflected as contract workers are interns employed by the department and are provided for under Programme 1. Provision has been adequately made for the carry-through costs of the inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, as well as the 1.5 per cent pay progression. The fluctuation in the personnel numbers is due to contract employees who are hired on a short-term basis. The department is planning to fill 69 vacant posts over the 2018/19 MTEF, which has not been adequately budgeted for and will be reviewed in-year. The increase in 2018/19 is adequate for filling of posts, with the exception of the outer years. This will be reviewed in-year.

Table 6.28 : Summary of departmental personnel numbers and costs by component

R thousands	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21				
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Addit. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 6	194	17 195	166	18 774	165	22 895	3	133	136	24 308	138	26 277	144	27 746	144	29 272	1.9%	6.4%	8.6%
7 – 10	144	47 620	192	51 994	199	63 095	148	7	155	67 274	185	84 662	193	91 889	203	96 944	9.4%	13.0%	27.0%
11 – 12	117	82 760	128	90 363	138	90 343	123	9	132	103 577	144	113 456	149	118 598	153	125 288	5.0%	6.5%	36.6%
13 – 16	64	60 135	73	65 696	73	74 981	60	10	70	79 897	70	82 524	70	87 562	71	92 427	0.5%	5.0%	27.4%
Other	1	965	1	1 018	1	1 069	1	-	1	1 122	1	1 229	1	1 512	1	1 833	0.0%	17.8%	0.5%
Total	520	208 675	560	227 845	576	252 383	335	159	494	276 178	538	308 148	557	327 307	572	345 764	5.0%	7.8%	100.0%
Programme																			
1. Administration	169	55 836	159	59 586	179	67 170	111	55	166	76 015	174	87 152	179	94 099	179	99 324	2.5%	9.3%	28.4%
2. Sustainable Resource Management	44	21 411	47	27 951	47	34 957	27	11	38	33 011	39	34 259	40	36 773	41	38 963	2.6%	5.7%	11.5%
3. Financial Governance	137	52 304	179	55 409	142	56 955	83	35	118	62 511	135	74 456	147	79 316	155	83 916	9.5%	10.3%	23.8%
4. Internal Audit	137	54 987	135	59 441	163	67 544	72	58	130	74 543	146	79 104	147	81 746	150	86 243	4.9%	5.0%	25.5%
5. Municipal Finance Management	33	24 137	40	25 458	45	25 757	42	-	42	30 098	44	33 177	44	35 373	47	37 318	3.8%	7.4%	10.8%
Total	520	208 675	560	227 845	576	252 383	335	159	494	276 178	538	308 148	557	327 307	572	345 764	5.0%	7.8%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	519	207 710	559	226 827	575	251 314	334	159	493	275 056	537	306 985	556	326 050	571	344 438	5.0%	7.8%	99.6%
Legal professionals	1	965	1	1 018	1	1 069	1	-	1	1 122	1	1 163	1	1 257	1	1 326	0.0%	5.7%	0.4%
Total	520	208 675	560	227 845	576	252 383	335	159	494	276 178	538	308 148	557	327 307	572	345 764	5.0%	7.8%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

9.2 Training

Table 6.29 shows the department's actual spending and estimates on training per programme. The department complies largely with the Skills Development Act – i.e. it budgets for approximately 1 per cent of its salary expense going toward staff training. The allocation toward training aligns with the allocation under *Training and development* item under *Goods and services*.

Table 6.29 : Information on training: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	520	560	571	506	506	506	505	505	505
Number of personnel trained	339	373	373	385	385	385	385	385	406
of which									
Male	157	150	150	160	160	160	160	160	169
Female	182	223	223	225	225	225	225	225	237
Number of training opportunities	836	600	615	621	621	621	621	621	655
of which									
Tertiary	3	3	5	6	6	6	6	6	6
Workshops	260	197	160	165	165	165	165	165	174
Seminars	149	100	100	100	100	100	100	100	106
Other	424	300	350	350	350	350	350	350	369
Number of bursaries offered	14	11	11	12	30	30	12	12	30
Number of interns appointed	59	14	14	14	25	25	14	14	30
Number of learnerships appointed	-	30	-	-	20	20	-	-	20
Number of days spent on training	156	115	120	120	120	120	120	120	127
Payments on training by programme									
1. Administration	558	606	642	805	803	847	985	1 009	1 065
2. Sustainable Resource Management	142	115	55	155	184	162	178	188	198
3. Financial Governance	571	395	362	483	488	444	459	606	639
4. Internal Audit	1 241	816	815	900	900	956	1 022	1 079	1 136
5. Municipal Finance Management	79	133	150	175	175	146	110	116	122
Total	2 591	2 065	2 024	2 518	2 550	2 555	2 754	2 998	3 160

ANNEXURE – VOTE 6: PROVINCIAL TREASURY

Table 6.A : Details of departmental receipts: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	322	345	352	226	226	415	227	228	235
Sale of goods and services produced by department	319	340	352	223	223	399	224	223	230
Sales by market establishments	90	102	106	107	107	98	108	109	112
Administrative fees	29	90	41	19	19	25	21	23	24
Other sales	200	148	205	97	97	276	95	91	94
Of which									
Commission	63	63	69	60	60	68	48	48	51
Tender documents	135	80	134	45	45	198	39	39	41
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	3	5	-	3	3	16	3	5	5
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	1	-	-	-	-	-	-
Interest, dividends and rent on land	309 569	391 253	284 822	216 842	216 842	310 732	295 219	299 501	314 793
Interest	309 569	391 253	284 822	216 842	216 842	310 732	295 219	299 501	314 793
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	39	790	119	192	192	356	203	204	210
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	39	790	119	192	192	356	203	204	210
Transactions in financial assets and liabilities	2 513	4 027	3 594	385	385	711	407	410	422
Total	312 443	396 415	288 888	217 645	217 645	312 214	296 056	300 343	315 660

Table 6.B : Payments and estimates by economic classification: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	575 075	569 228	583 277	590 094	613 379	601 433	628 832	655 662	698 678
Compensation of employees	208 675	227 845	252 383	287 664	284 003	276 178	308 148	327 307	345 764
Salaries and wages	188 401	205 107	227 157	256 005	254 065	247 878	276 774	293 351	309 912
Social contributions	20 274	22 738	25 226	31 659	29 938	28 300	31 374	33 956	35 852
Goods and services	366 400	341 383	330 300	300 696	328 642	324 521	317 184	326 855	351 314
Administrative fees	7 558	9 325	10 175	10 135	12 788	12 876	9 843	7 250	7 648
Advertising	3 788	1 764	3 186	2 366	3 962	3 938	2 869	3 888	4 101
Minor assets	548	9 430	7 511	865	2 173	1 923	541	696	733
Audit cost: External	4 406	3 813	4 448	6 030	6 030	4 440	3 926	5 826	6 147
Bursaries: Employees	260	320	582	500	508	500	500	264	279
Catering: Departmental activities	1 819	455	1 690	1 004	1 059	1 979	1 445	1 538	1 623
Communication (G&S)	2 177	3 056	2 791	3 119	3 166	3 160	3 145	3 325	3 510
Computer services	115 480	110 604	115 405	109 923	101 138	100 604	87 981	97 003	102 339
Cons & prof serv: Business and advisory services	168 918	132 588	124 868	113 406	27 110	29 013	44 223	34 403	42 847
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	3 135	2 305	3 150	1 113	2 004	3 118	2 147	2 385	2 516
Contractors	3 631	20 421	10 123	1 001	986	993	1 661	2 921	3 080
Agency and support / outsourced services	356	182	81	187	112 039	106 598	109 827	115 984	122 349
Entertainment	-	-	-	18	14	2	4	5	5
Fleet services (including govt motor transport)	1 375	1 416	1 632	1 926	1 888	1 708	1 166	1 227	1 294
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	593	427	524	645	779	714	682	643	676
Consumable: Stationery, printing and office supplies	2 478	2 255	1 830	2 702	2 417	1 945	2 536	2 919	3 081
Operating leases	15 417	17 366	14 170	17 810	20 309	18 956	15 072	15 074	15 903
Property payments	12 526	7 815	8 852	6 502	7 577	9 179	6 530	6 915	7 295
Transport provided: Departmental activity	651	26	115	322	322	289	165	166	175
Travel and subsistence	15 182	13 405	13 707	15 403	16 843	16 555	16 814	17 329	18 232
Training and development	2 591	2 065	2 024	2 518	2 550	2 555	2 754	2 998	3 160
Operating payments	1 704	2 101	2 579	2 354	2 419	2 700	2 558	2 981	3 144
Venues and facilities	1 807	184	85	847	561	776	795	1 115	1 177
Rental and hiring	-	60	772	-	-	-	-	-	-
Interest and rent on land	-	-	594	1 734	734	734	3 500	1 500	1 600
Interest	-	-	594	1 734	734	734	3 500	1 500	1 600
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	41 016	21 041	8 077	10 755	5 755	5 711	3 095	2 947	3 105
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Provinces	129	21	24	24	31	31	23	26	27
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	129	21	24	24	31	31	23	26	27
Municipalities	31 665	10 280	-	-	-	-	-	-	-
Municipalities	31 665	10 280	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1	2	-	-	2	2	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	4	7	-	-	-	-	-	-
Public corporations	-	4	7	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	4	7	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 365	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Households	7 856	6 394	4 189	1 626	1 617	1 625	2 173	1 934	2 042
Social benefits	4 094	2 297	856	1 088	1 079	1 065	1 145	1 258	1 328
Other transfers to households	3 762	4 097	3 333	538	538	560	1 028	676	714
Payments for capital assets	14 854	14 037	4 740	6 995	12 235	12 043	18 973	18 663	19 625
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 854	14 037	4 740	6 995	12 235	12 043	18 823	18 405	19 353
Transport equipment	2 397	1 393	1 379	4 375	4 675	4 096	7 223	7 262	7 662
Other machinery and equipment	12 457	12 644	3 361	2 620	7 560	7 947	11 600	11 143	11 691
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	150	258	272
Payments for financial assets	4	344	21	-	-	-	-	-	-
Total	630 949	604 650	596 115	607 844	631 369	619 187	650 900	677 272	721 408

Table 6.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	114 903	124 094	148 999	158 938	165 136	163 868	178 049	178 933	195 666
Compensation of employees	55 836	59 586	67 170	83 766	80 923	76 015	87 152	94 099	99 324
Salaries and wages	50 094	52 713	59 506	73 590	71 633	67 412	76 550	82 971	87 584
Social contributions	5 742	6 873	7 664	10 176	9 290	8 603	10 602	11 128	11 740
Goods and services	59 067	64 508	81 829	75 172	84 213	87 853	90 897	84 834	96 342
Administrative fees	904	215	427	392	515	377	311	368	390
Advertising	3 447	1 501	2 002	2 161	2 078	1 957	2 204	2 511	2 649
Minor assets	159	79	326	234	262	153	371	349	368
Audit cost: External	4 406	3 813	4 448	6 030	6 030	4 440	3 926	5 826	6 147
Bursaries: Employees	282	320	582	500	500	500	500	264	279
Catering: Departmental activities	1 638	204	1 235	726	599	1 315	1 177	1 295	1 367
Communication (G&S)	1 033	1 759	1 392	1 583	1 656	1 693	1 586	1 676	1 769
Computer services	31	54	16 228	7 260	9 319	14 752	10 054	9 913	10 459
Cons & prof serv: Business and advisory services	3 861	2 027	10 300	19 688	7 205	7 168	35 143	24 518	32 752
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 094	2 305	3 150	949	1 920	2 350	1 946	1 973	2 081
Contractors	3 576	20 321	10 036	983	858	797	1 635	2 906	3 064
Agency and support / outsourced services	356	182	81	187	14 333	13 356	327	337	356
Entertainment	-	-	-	18	14	2	4	5	5
Fleet services (including govt motor transport)	1 375	1 416	1 632	1 926	1 888	1 708	1 166	1 227	1 294
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	497	332	364	457	571	483	478	432	455
Consumable: Stationery, printing and office supplies	1 100	687	936	1 460	1 331	1 114	1 453	1 531	1 615
Operating leases	15 382	17 322	14 151	17 758	20 257	18 872	15 058	15 058	15 886
Property payments	12 520	7 815	8 852	6 502	7 577	9 177	6 530	6 915	7 295
Transport provided: Departmental activity	647	26	115	322	322	288	165	166	175
Travel and subsistence	3 342	2 928	3 459	3 882	4 744	4 877	4 369	4 407	4 605
Training and development	558	606	642	805	803	847	985	1 009	1 065
Operating payments	531	509	683	684	886	866	795	1 118	1 179
Venues and facilities	1 328	27	16	665	545	761	714	1 030	1 087
Rental and hiring	-	60	772	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	38 779	19 304	7 484	9 767	4 853	4 919	2 050	1 795	1 889
Provinces and municipalities	31 794	10 301	24	24	31	31	23	26	27
Provinces	129	21	24	24	31	31	23	26	27
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	129	21	24	24	31	31	23	26	27
Municipalities	31 665	10 280	-	-	-	-	-	-	-
Municipalities	31 665	10 280	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	2	-	-	2	2	3	3	3
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1	2	-	-	2	2	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	7	-	-	-	-	-	-
Public corporations	-	-	7	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	7	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	138	4 340	3 857	9 105	4 105	4 053	896	984	1 033
Households	6 846	4 661	3 596	638	715	833	1 128	782	826
Social benefits	3 084	564	263	100	177	273	100	106	112
Other transfers to households	3 762	4 097	3 333	538	538	560	1 028	676	714
Payments for capital assets	3 345	2 113	2 598	5 375	5 575	4 916	12 278	12 530	13 220
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 345	2 113	2 598	5 375	5 575	4 916	12 128	12 272	12 948
Transport equipment	2 397	1 393	1 379	4 375	4 675	4 096	7 223	7 262	7 662
Other machinery and equipment	948	720	1 219	1 000	900	820	4 905	5 010	5 286
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	150	258	272
Payments for financial assets	-	78	20	-	-	-	-	-	-
Total	157 027	145 589	159 101	174 080	175 564	173 703	192 377	193 258	210 775

Table 6.D : Payments and estimates by economic classification: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	38 874	37 997	43 567	38 654	40 456	40 106	40 499	42 956	45 325
Compensation of employees	21 411	27 951	34 957	30 377	33 179	33 011	34 259	36 773	38 963
Salaries and wages	19 719	25 553	32 232	27 531	30 198	30 052	31 386	33 295	35 279
Social contributions	1 692	2 398	2 725	2 846	2 981	2 959	2 873	3 478	3 684
Goods and services	17 463	10 046	8 016	8 277	7 277	7 095	6 240	6 183	6 362
Administrative fees	21	48	67	50	60	56	56	58	61
Advertising	95	168	-	135	83	54	90	98	103
Minor assets	15	49	59	26	19	7	22	23	24
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	35	81	84	120	71	56	80	84	88
Communication (G&S)	195	224	214	178	165	186	186	195	206
Computer services	-	-	98	165	188	188	100	100	106
Cons & prof serv: Business and advisory services	14 808	6 537	5 191	5 368	4 368	4 156	500	500	367
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	84	-	-	-	-	-	-	-	-
Contractors	23	45	17	4	21	20	11	5	5
Agency and support / outsourced services	-	-	-	-	-	-	3 123	2 945	3 106
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	7	15	10	11	28	13	14	15
Consumable: Stationery, printing and office supplies	168	232	133	192	160	132	200	212	225
Operating leases	-	-	-	-	-	11	-	-	-
Property payments	6	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	881	1 253	1 303	951	1 359	1 462	944	989	1 043
Training and development	142	115	55	155	184	162	178	188	198
Operating payments	594	1 131	780	773	588	577	737	772	815
Venues and facilities	396	156	-	150	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	594	-	-	-	-	-	-
Interest	-	-	594	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	50	-	-	67	67	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	50	-	-	67	67	-	-	-
Social benefits	-	50	-	-	67	67	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	188	208	299	221	221	199	158	166	170
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	188	208	299	221	221	199	158	166	170
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	188	208	299	221	221	199	158	166	170
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	2	-	-	-	-	-	-	-
Total	39 062	38 257	43 866	38 875	40 744	40 372	40 657	43 122	45 495

Table 6.E : Payments and estimates by economic classification: Financial Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	255 388	227 890	206 011	212 442	206 202	200 656	203 156	214 620	226 500
Compensation of employees	52 304	55 409	56 955	71 759	63 139	62 511	74 456	79 316	83 916
Salaries and wages	47 159	50 051	51 053	62 831	56 181	55 916	66 926	70 947	75 073
Social contributions	5 145	5 358	5 902	8 928	6 958	6 595	7 530	8 369	8 843
Goods and services	203 084	172 481	149 056	138 949	142 329	137 411	125 200	133 804	140 984
Administrative fees	6 381	8 864	9 436	9 345	11 865	12 184	9 210	6 542	6 901
Advertising	102	60	1 145	25	1 756	1 912	525	1 226	1 293
Minor assets	110	9 272	7 009	396	1 683	1 639	103	180	190
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	8	-	-	-	-
Catering: Departmental activities	96	101	281	59	290	490	83	98	103
Communication (G&S)	451	589	722	731	718	725	735	780	824
Computer services	115 199	110 057	98 324	102 128	91 261	85 248	77 467	86 603	91 366
Cons & prof serv: Business and advisory services	73 242	37 257	26 748	19 858	15 537	14 225	2 265	1 590	1 504
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	957	-	-	164	84	768	201	412	435
Contractors	20	48	50	8	101	142	9	10	11
Agency and support / outsourced services	-	-	-	-	12 689	14 083	27 675	28 727	30 307
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	50	73	124	131	150	137	124	130	136
Consumable: Stationery, printing and office supplies	497	503	297	517	393	304	409	669	706
Operating leases	35	44	9	52	52	54	14	16	17
Property payments	-	-	-	-	-	2	-	-	-
Transport provided: Departmental activity	4	-	-	-	-	-	-	-	-
Travel and subsistence	5 229	5 115	4 225	4 830	5 000	4 786	5 599	5 864	6 182
Training and development	571	395	362	483	488	444	459	606	639
Operating payments	57	103	255	190	238	253	302	330	348
Venues and facilities	83	-	69	32	16	15	20	21	22
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	1 734	734	734	3 500	1 500	1 600
Interest	-	-	-	1 734	734	734	3 500	1 500	1 600
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 067	975	492	885	654	552	939	1 040	1 098
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 227	-	-	-	-	-	-	-	-
Households	840	975	492	885	654	552	939	1 040	1 098
Social benefits	840	975	492	885	654	552	939	1 040	1 098
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	10 580	11 237	707	493	5 533	5 500	5 507	4 881	5 089
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	61	-	-	-	-	-	-	-
Total	268 035	240 163	207 210	213 820	212 389	206 708	209 602	220 541	232 687

Table 6.F : Payments and estimates by economic classification: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	129 803	133 455	131 683	123 024	144 549	141 195	143 564	151 800	160 129
Compensation of employees	54 987	59 441	67 544	70 976	75 976	74 543	79 104	81 746	86 243
Salaries and wages	49 627	53 711	61 020	64 023	68 023	67 208	71 785	74 023	78 095
Social contributions	5 360	5 730	6 524	6 953	7 953	7 335	7 319	7 723	8 148
Goods and services	74 816	74 014	64 139	52 048	68 573	66 652	64 460	70 054	73 886
Administrative fees	224	161	217	318	318	232	231	245	258
Advertising	144	9	-	-	-	-	-	-	-
Minor assets	63	14	77	164	164	96	40	141	148
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	(22)	-	-	-	-	-	-	-	-
Catering: Departmental activities	34	67	64	29	29	67	30	32	34
Communication (G&S)	399	389	373	521	521	469	527	557	588
Computer services	250	493	755	370	370	416	360	387	408
Cons & prof serv: Business and advisory services	66 791	68 318	57 089	44 410	-	3 464	6 315	7 795	8 224
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	7	-	8	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	60 935	55 726	50 405	53 979	56 931
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	37	7	18	44	44	65	35	38	40
Consumable: Stationery, printing and office supplies	453	600	265	306	306	236	313	330	348
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	1	-	-	-
Travel and subsistence	4 787	3 028	3 903	4 525	4 525	4 435	4 693	4 956	5 228
Training and development	1 241	816	815	900	900	956	1 022	1 079	1 136
Operating payments	408	111	555	461	461	489	428	451	475
Venues and facilities	-	1	-	-	-	-	61	64	68
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	170	684	101	103	181	144	106	112	118
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	4	-	-	-	-	-	-	-
Public corporations	-	4	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	4	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	170	680	101	103	181	144	106	112	118
Social benefits	170	680	101	103	181	144	106	112	118
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	443	262	960	761	761	1 273	885	933	985
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	443	262	960	761	761	1 273	885	933	985
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	443	262	960	761	761	1 273	885	933	985
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4	203	1	-	-	-	-	-	-
Total	130 420	134 604	132 745	123 888	145 491	142 612	144 555	152 845	161 232

Table 6.G : Payments and estimates by economic classification: Municipal Finance Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	36 107	45 792	53 017	57 036	57 036	55 608	63 564	67 353	71 058
Compensation of employees	24 137	25 458	25 757	30 786	30 786	30 098	33 177	35 373	37 318
Salaries and wages	21 802	23 079	23 346	28 030	28 030	27 290	30 127	32 115	33 881
Social contributions	2 335	2 379	2 411	2 756	2 756	2 808	3 050	3 258	3 437
Goods and services	11 970	20 334	27 260	26 250	26 250	25 510	30 387	31 980	33 740
Administrative fees	28	37	28	30	30	27	35	37	38
Advertising	-	26	39	45	45	15	50	53	56
Minor assets	201	16	40	45	45	28	5	3	3
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	16	2	26	70	70	51	75	29	31
Communication (G&S)	99	95	90	106	106	87	111	117	123
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	10 216	18 449	25 540	24 082	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	5	7	12	6	6	34	6	-	-
Agency and support / outsourced services	-	-	-	-	24 082	23 433	28 297	29 996	31 649
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	9	8	3	3	3	1	32	29	30
Consumable: Stationery, printing and office supplies	260	233	199	227	227	159	161	177	187
Operating leases	-	-	10	-	-	19	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	943	1 081	817	1 215	1 215	995	1 209	1 113	1 174
Training and development	79	133	150	175	175	146	110	116	122
Operating payments	114	247	306	246	246	515	296	310	327
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	28	-	-	-	29	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	28	-	-	-	29	-	-	-
Social benefits	-	28	-	-	-	29	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	298	217	176	145	145	155	145	153	161
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	298	217	176	145	145	155	145	153	161
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	298	217	176	145	145	155	145	153	161
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	36 405	46 037	53 193	57 181	57 181	55 792	63 709	67 506	71 219

Table 6.H : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN212 uMdoni	-	-	-	-	-	-	-	-	-
B KZN213 uMzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	5 283	218	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpindle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	5 283	218	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	-	-	-	-	-	-	-
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 eNdumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 AbaQulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 uMhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
B KZN281 uMfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	26 382	10 062	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	26 382	10 062	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	31 665	10 280	-	-	-	-	-	-	-

VOTE 7

Health

Operational budget	R42 345 686 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R42 347 664 000
Responsible MEC	MEC for Health
Administering department	Health
Accounting officer	Head: Health

1. Overview

Vision

The vision of the Department of Health is: *Optimal health for all persons in KZN.*

Mission Statement

The department's mission statement is: *To develop and implement a sustainable, co-ordinated, integrated and comprehensive health system at all levels, based on the primary health care approach through the district health system, to ensure universal access to health care.*

Strategic objectives

Strategic policy direction: Directly linked with the NDP 2030 with the main focus on improving the health and well-being of the population and strengthening the health system effectiveness.

The department's strategic goals, each comprising a number of strategic objectives and sub-outcomes, have been aligned with the NDP 2030, the MTSF 2014-2019, the PGDP 2030 and National Health sector priorities. The overarching goal remains "*Increasing the life expectancy of all South Africans*". The strategic goals for 2015-2019 are:

- Strengthen health system effectiveness.
- Reduce and manage the burden of disease.
- Universal health coverage.
- Strengthen human resources for health.
- Improved quality of health care.

Core functions

The main purpose of the department is to develop and implement a sustainable, co-ordinated, integrated and comprehensive health system based on the primary health care approach, which encompasses promotive, curative, rehabilitative, supportive and palliative care. This is guided by the principles of accessibility, equity, quality and efficiency, sustainability, community participation, appropriate technology, and inter-governmental and inter-sectoral collaboration.

The department provides health services primarily to the uninsured population of KZN, who comprise about 88.1 per cent of the province's total population of 10 919 077 (2015 Mid-Year Population Estimates, StatsSA). In addition, the department provides central health services to people beyond provincial boundaries. The main categories of health services provided by the department are as follows:

Primary health care services

Primary health care services are rendered at community/household level by community outreach teams and mobile clinics and in fixed clinics and community health centres. Services include health promotion and prevention, screening and early detection of health conditions or risk factors, referral and curative and rehabilitative services.

Hospital services

District hospitals render hospital services at a general practitioner level, while provincial hospitals render hospital services at a specialist level. District hospitals provide clinical outreach services to primary health care (PHC) clinics. Specialised hospitals render specialised hospital services for patients with TB, psychiatric illnesses and those patients requiring long-term or chronic step-down/rehabilitative care. Tertiary and central hospitals render tertiary, central and quaternary hospital services at specialist level. Tertiary and central hospitals also provide clinical outreach services to provincial and district hospitals and participate in research to improve evidence-based practice.

Forensic pathology services

This category renders specialised forensic and medico-legal services including establishing the circumstances and causes surrounding unnatural death, ensuring the integrity of forensic evidence and providing Inspector of Anatomy Services.

Emergency medical services

This category renders emergency care for trauma patients including patients from road traffic accidents, and provides emergency transport for emergency medical and obstetric patients. Planned patient transport is provided for inter-hospital transfer, while indigent patients are transported between clinics and hospitals.

Legislative mandate

In carrying out its functions, the department is governed mainly by the following Acts and regulations:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- KwaZulu-Natal Health Act (Act No. 1 of 2009) and Regulations
- National Health Act (Act No. 61 of 2003)
- Mental Health Care Act (Act No. 17 of 2002)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and the Public Service Regulations
- Medicines and Related Substances Act (Act No. 101 of 1965, as amended)
- Pharmacy Act (Act No. 53 of 1974, as amended)
- Nursing Act (Act No. 33 of 2005)
- Choice of Termination of Pregnancy Act (Act No. 92 of 1996, as amended)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- National Health Laboratory Service Act (Act No. 37 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Traditional Health Practitioners Act (Act No. 35 of 2004)
- Health Professions Act (Act No. 56 of 1974)
- Human Tissue Act (Act No. 65 of 1983)
- Allied Health Professions Act (Act No. 63 of 1982)

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18 outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Prevent and reduce the burden of disease with the main focus on maternal, neonatal, child and women's health, nutrition, TB, HIV and AIDS, and non-communicable conditions, as follows:

- Reduced the mother to child transmission rate of HIV from 1.1 per cent in 2016/17 to 0.62 per cent against the 2017/18 target of 1.1 per cent by March 2018.
- The facility maternal mortality ratio increased slightly (which the department is still investigating), from 106.7 maternal deaths per 100 000 live births in 2016/17 to 109.6 maternal deaths per 100 000 live births against a target of 105 maternal deaths per 100 000 live births.
- Decreased the child under 5-year severe acute malnutrition incidence from 4.6 per 1 000 in 2016/17 to 2.6 per 1000 against the target of 4.9 per 1 000.
- Decreased the TB incidence from the 2017 target of 750 to 700 per 100 000 population by March 2018. This indicator is annual in nature and was not available at the time of compiling this document.
- The TB client treatment success rate decreased slightly from 88.7 per cent in 2016/17 to 87.5 per cent against the target of 86 per cent.
- A total of 1 243 891 clients remained on ARV treatment at the end of the third quarter against a target of 1 441 555.
- Hypertension incidence increased from 21.8 per cent in 2016/17 to 23.6 per cent against the target of 25.3 per 1 000 by March 2018. The increase in incidence is likely to be due to the increase in the number of patients routinely screened for hypertension.
- Diabetes incidence increased from 2.8 per cent in 2016/17 to 3.1 per cent against the target of 3.6 per 1 000. The increase in incidence is likely to be due to the increase in the number of patients routinely screened for diabetes.

Scale up PHC re-engineering with the main focus on implementing the Ideal Clinic programme:

- 64.9 per cent of clinics achieved Ideal Clinic status against a target of 75 per cent by March 2018. Not all targeted clinics had been assessed by the time of compiling this document.

Strengthen and improve hospital efficiencies with the main focus on implementing an approved hospital rationalisation plan over the next 5 to 10 years:

- The first phase of the hospital rationalisation process commenced. Initial assessments and proposals to inform the process were completed and presented for the following hospitals: St Margaret's, Thulasizwe, Dunstan Ferrell (old SANTA Hospital) and Doris Goodwin Specialised TB Hospitals, Siloah State Aided Hospital, as well as Appelsbosch, Montebello and Umgeni Specialised Psychiatric Hospitals. Rationalisation processes, including a review of functions, the package of services, and bed allocation and classification, will be fast tracked in 2018/19. Commissioning of the Dr. Pixley Ka Isaka Seme Hospital, as well as the re-allocation of level 2 services to the new hospital from the Mahatma Gandhi Memorial and Addington Hospitals is on track, in keeping with the expected commissioning in 2019.

Improving human resources for health with the main focus on the finalisation of a costed long term human resources plan, which will be included in the department's 2017 to 2027 long term plan:

- The review of the organisational structure continued taking into consideration reviewed functions and the rationalisation processes. Options for the review of the head office structure were submitted to the National Department of Health (NDOH) to inform a generic head office structure that will be used in the review of the KZN structure.
- The department is in the final stage of finalising the Essential Post List for Health to inform prioritising the filling of essential posts in facilities. All facilities were included in the project. A costed Essential Post List will be presented to the Provincial Executive Council before the end of

2017/18 with the aim to rescind the process of filling essential posts and will also serve as a baseline for the hospital rationalisation plan and the long term human resources plan.

- The implementation of Phase 2 of the Decentralised Training in a PHC Model commenced in partnership with the University of KZN (UKZN) in King Cetshwayo, Amajuba, Ugu, eThekweni and uMgungundlovu Districts. The anticipated increase in student numbers is in preparation for the 261 students participating in the Cuban Doctors' programme that will return to South Africa for the final 18 months of training before graduating.

Improving financial management with focus on the following:

- Although the department planned to continue the process of implementing an electronic inventory management system in all hospitals and community health centres, along with an electronic billing system in central, tertiary and regional hospitals and selected high volume district hospitals, the implementation was put on hold due to budget pressures.
- The department continued to address NHLS pressures by reviewing and implementing gate-keeping processes to reduce costs, and a pilot electronic gate-keeping project was implemented in the third quarter, but too late to have an impact on aggregate NHLS expenditure.
- The department's newly established medico-legal claims unit, which includes departmental medical and legal experts, formulated strategies, systems and policies with the aim of reducing the future incidence of claims against the state.

Improving quality of care with focus on implementation and annual self-assessment of the National Core Standards and development and implementation of Quality Improvement Plans to address identified gaps:

- The department continued to implement the National Core Standards in all facilities, and 18 of 20 assessed facilities achieved more than 75 per cent against the core standards – compliant with all extreme and vital measures of the core standards.
- A patient satisfaction rate of more than 95 per cent was achieved. The department implemented the Service Delivery Improvement Programme Enhancement Plan to further improve on patient participation, satisfaction and reducing patient complaints.

Improve universal health coverage by implementing the NHI pilot in the 3 identified districts, as follows:

- Implementation of NHI initiatives moved beyond the NHI districts to all districts in the province.
- Contracts with private medical practitioners and pharmacist assistants, previously paid from the NHI grant, will be terminated in early 2018/19, after which the department will be responsible for funding and/or filling these posts. Absorption of the pharmacist assistants post contracts was included in the Essential Post List to ensure efficient medicine management at PHC level.
- The number of facilities implementing the Chronic Medication Dispensing and Supply Model increased from 606 in 2016/17 to 692 at the end of the third quarter of 2017/18. Over the same period, the number of patients registered on the system increased from 619 020 to 839 187. This significantly decreased congestion at PHC level, and increased access to chronic medication.
- The Electronic Patient Registration System was rolled out to all districts, although not all facilities have access to broadband connectivity, which has jeopardised the roll-out. Connectivity was prioritised in 2017/18 and will continue to be prioritised in 2018/19.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The bulk of the department's budget allocation is for the delivery of PHC services to the approximately 88.1 per cent uninsured population of KZN. The main services rendered at this level include preventive, promotive, screening and referral services for communicable and non-communicable services at community level, and preventive, promotive, screening, referral, rehabilitative, curative and emergency

medical services delivered through fixed clinics, community health centres and district hospitals. In 2018/19, the department will focus on the following priorities to further improve service delivery and health outcomes:

Prevent and reduce the burden of disease where the department aims to:

- Reduce the mother to child transmission rate of HIV from 0.62 per cent to 0.6 per cent.
- Reduce the facility maternal mortality ratio from 109.6 deaths to 100 deaths per 100 000 live births.
- Increase the TB client treatment success rate from 87.5 per cent to 87.6 per cent by March 2019.
- Increase the total number of clients remaining on ARV therapy from 1 243 891 to at least 1 313 804 .
- Increase the number of HIV tests done from 3 100 696 to 3 134 424.
- Increase the number of male medical circumcisions (MMC) performed to at least 1 087 987 from 996 936.

Scale up PHC re-engineering including implementing the Ideal Clinic programme:

- Increase the Ideal Clinic status rate from 83.2 per cent to at least 87 per cent to be achieved through the activities of self-assessment teams.

Strengthen and improve service efficiencies in respect of which the department intends to:

- Refine the hospital rationalisation plan, informed by the district hospital efficiency assessments being conducted by Epidemiology and Health Research units, as well as internal clinical audits conducted in regional, specialised, tertiary and central hospitals.
- Commence with development of the sub-district model within the national framework of district health services and review community health centre structures to make provision for the roll-out of the sub-district model, as required by the National Health Act.
- Implementation of the Dr. Pixley Ka Isaka Seme Hospital commissioning plan in preparation for commissioning of phase 1 services in 2019/20, including moving services, where applicable, from Addington and Mahatma Ghandi Hospitals.

Improving human resources for health with the main focus on the finalisation of a costed long term human resources plan, which will be included in the department's 2017 to 2027 long term plan. Activities will include a review of the organisational structure informed by the Essential Post List process, which will become an annual process, the drafting of the long term human resources plan for costing and approval by the HOD by the end of 2018/19, as well as undertaking further roll-out of the Decentralised Training in a PHC Model, based on the Cuban Doctors' programme methodology. It is envisaged that the returning students will be placed at PHCs within this model.

Improving financial management where the department intends to:

- Continue the process of implementing an electronic inventory management system in all hospitals and community health centres, along with an electronic billing system in central, tertiary, regional hospitals and district hospitals, with 12 institutions expected to be online by the end of 2018/19.
- Continue to address NHLS pressures by reviewing and improving gate-keeping processes to reduce costs, with the focus on 25 institutions in 2018/19 and 2019/20.
- Begin to implement strategies to reduce medico-legal claims, as developed by the medico-legal unit.

Improving quality of care with focus on implementation and annual self-assessment of the National Core Standards and development and implementation of Quality Improvement Plans to address identified gaps:

- Increase the percentage of hospitals that are compliant with all extreme and vital measures of the core standards to 60 per cent (or more) by March 2020. These include, but are not limited to, measures which ensure that the safety of patients and staff is safeguarded so as to not result in unnecessary harm or death.
- Sustain a patient satisfaction rate of 95 per cent (or more) in all health facilities by March 2020.

Improving quality of care with focus on the implementation of the National Core Standards, strategies to improve clinical governance and reduce medico-legal risks:

- Increase the percentage of hospitals that are compliant with 75 per cent or more of the National Core Standards.
- Implement the HOD approved clinical governance policy to improve quality of clinical care.
- Develop and implement the medico-legal strategy to improve clinical practice and reduce medico-legal litigation.
- Further roll-out of the Chronic Medication Dispensing and Supply Model to increase access to chronic medication at community level and reduce waiting times at facilities.
- Further roll-out of the Electronic Patient Registration System in all districts, dependant on addressing broadband availability issues.

4. Reprioritisation

The department undertook comprehensive reprioritisation in the preparation of the 2018/19 MTEF budget, with the main movements being the following:

- Funding was moved from *Transfers and subsidies to: Non-profit institutions* to both *Compensation of employees* and *Goods and services* for the carry-through costs of the provincialisation of St. Mary's Hospital, which took place in 2017/18.
- Funding was moved to *Transfers and subsidies to: Households* from *Compensation of employees* to address pressures in the payment of medico-legal claims.
- Funding was moved from *Compensation of employees* to *Goods and services* within the Comprehensive HIV, AIDS and TB grant to address pressures in medicines and medical supplies.
- Some funding was reprioritised from infrastructure maintenance in *Goods and services* to address backlogs in *Buildings and other fixed structures (Upgrades and additions: Capital and New infrastructure assets: Capital)* and replacement of *Machinery and equipment*.

5. Procurement

In line with the procurement plans, the department made provision for a number of major purchases to take place during 2018/19, including:

- Medicines, NHLS, medical supplies and property payments.
- An ongoing item of procurement is for capital infrastructure with the continuation of the building of the Dr. Pixley Ka Isaka Seme Hospital.
- The department has planned to procure *Machinery and equipment* in the form of replacement vehicles which includes provision for replacement ambulances and laundry vehicles, as well as medical equipment, including X-ray machines and CT scanners. The department has also budgeted to procure non-medical equipment including trolleys, patient beds, etc.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 7.1 gives the source of funding for Vote 7 over the seven-year period 2014/15 to 2020/21.

The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 7.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	24 636 764	26 017 310	29 275 163	31 462 955	31 462 955	31 462 955	33 154 853	35 376 361	37 942 345
Conditional grants	6 428 886	6 903 596	7 306 804	8 085 518	8 085 518	8 085 518	9 103 605	9 580 774	10 381 631
Health Professions Training and Development grant	292 837	299 513	312 377	331 944	331 944	331 944	351 197	370 863	391 260
Health Facility Revitalisation grant	1 362 469	1 229 775	1 114 693	1 149 355	1 149 355	1 149 355	1 202 480	1 153 049	1 216 467
National Tertiary Services grant	1 496 427	1 530 246	1 596 286	1 696 266	1 696 266	1 696 266	1 794 649	1 895 149	2 022 124
Comprehensive HIV, AIDS and TB grant	3 257 992	3 812 972	4 244 243	4 852 495	4 852 495	4 852 495	5 677 225	6 114 218	6 701 673
Social Sector EPWP Incentive Grant for Provinces	2 580	13 000	13 000	47 058	47 058	47 058	24 182	-	-
EPWP Integrated Grant for Provinces	2 581	3 682	7 122	8 400	8 400	8 400	8 896	-	-
National Health Insurance grant	14 000	14 408	19 083	-	-	-	-	-	-
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	44 976	47 495	50 107
Total receipts	31 065 650	32 920 906	36 581 967	39 548 473	39 548 473	39 548 473	42 258 458	44 957 135	48 323 976
Total payments	31 245 510	34 110 724	37 026 397	39 548 473	39 930 478	40 430 163	42 347 664	44 957 135	48 323 976
Surplus/(Deficit) before financing	(179 860)	(1 189 818)	(444 430)	-	(382 005)	(881 690)	(89 206)	-	-
Financing									
of which									
Provincial roll-overs	5 848	1 449	6 363	-	311	311	-	-	-
Provincial cash resources	47 967	1 047 637	450 670	-	381 694	381 694	89 206	-	-
Surplus/(Deficit) after financing	(126 045)	(140 732)	12 603	-	-	(499 685)	-	-	-

In 2014/15, the department's equitable share was reduced by R1.769 million related to previous years' irregular expenditure. The Provincial Executive Council approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the Vote. Also in 2014/15, the department received additional funding of R200 million for the Health Facility Revitalisation grant to fund in-year infrastructure pressures. This amount was taken from the indirect National Health grant and allocated to the province as a direct grant. A roll-over of R5.848 million was approved for the development of a patient record system in respect of the NHI grant.

The department was also allocated provincial cash resources of R47.967 million in 2014/15 for:

- Trade creditors and VAT at McCord Hospital (R15.870 million).
- Operational costs at St. Mary's Hospital (R30.907 million), pending the finalisation of the transaction advisors' investigation into the potential provincialisation of the hospital.
- Own revenue reallocated back to the department (R1.190 million) being the sale of the McCord Hospital debtors' book, with the funding returned to the department for various infrastructure changes that needed to be made at the hospital to convert it to a specialised eye-care hospital.

The department over-spent its budget in 2014/15 by R126.045 million due to pressures in medical supplies costs and the impact of the weakening Rand/Dollar exchange rate. Also impacting were higher than budgeted medico-legal claims and staff exit costs.

In 2015/16, a roll-over of R1.449 million was approved in respect of the NHI grant, to pay for the procurement of four mobile caravan clinics. Also in 2015/16, the department was allocated additional funding of R1.048 billion from provincial cash resources for the following:

- R60 million for the purchase of St. Aidan's Hospital.
- R880 000 for trade creditors and VAT at McCord Hospital.
- R617.778 million for the above-budget 2015 wage agreement.
- R30.479 million for higher than budgeted collection of patient fees, reallocated to the department to fund the Revenue Enhancement Strategy.
- R270.500 million for the NHLS to assist in pressures as a result of moving from a flat-fee payment mechanism to a fee-for-services mechanism.
- R68 million to address pressures arising from medico-legal claims.

The department over-spent its 2015/16 budget by R140.732 million mainly due to an under-estimation of the costs of the housing allowance adjustment, which formed part of the 2015 wage agreement, as well as the higher allowance resulting in an increased uptake of the allowance by staff. Also contributing were NHLS costs due to the move to a fee-for-service payment mechanism.

In 2016/17, a provincial roll-over of R6.363 million was approved in respect of the NHI grant, to pay for an electronic queuing system and internet connectivity for all clinics in NHI districts. The department also received an additional R4 million for the NHI grant, to help strengthen Health Information Systems. Also in 2016/17, the department was allocated additional funding of R450.670 million from provincial cash resources for the following:

- R670 000 for the carry-through costs for trade creditors and VAT at McCord Hospital.
- R350 million to address pressures on imported medicines, medical supplies and equipment resulting from the deterioration of the Rand/Dollar exchange rate.
- R100 million to fully fund the shortfall from the above-budget 2016 wage adjustment.

Despite in-year spending pressures, the department under-spent in 2016/17 by R12.603 million mainly due to a reduction in the levy required by the Medicine Trading Account. This levy is based on the volume of medicines processed *via* the account, however, running costs were substantially less than the levied amount due to vacant posts, as well as cheaper delivery mechanisms. The surplus was thus returned to the books of the department.

In 2017/18, the department received a roll-over of R311 000 from 2016/17 in respect of under-spending against the NHI grant, to be used mainly to pay for the impact assessment on the effectiveness of the implemented digital pen system in the NHI districts. Also in 2017/18, the department was allocated additional funding of R381.694 million from provincial cash resources for the following:

- R331.244 million for the Treasury/Health assistance plan outlined in the Executive Statement presented by the MEC for Finance in the Provincial Legislature on 22 June 2017, which indicated that Provincial Treasury would provide support to the Department of Health.
- R50.450 million for repairs at hospitals and clinics damaged in the storms that mainly affected eThekwin on 10 October 2017.

The department is projecting to over-spend its 2017/18 budget by R499.685 million as per the December IYM, mainly due to pressures in NHLS related to accruals from 2016/17, as well as ARV medicine under the HIV, AIDS and TB grant due to the increased medicine expenditure for the Universal Test-and-Treat (UTT) initiative and also as a result of the donor medicines being stopped. In addition, there are pressures from medico-legal claims.

In 2018/19, the department receives additional funding of R89.206 million from provincial cash resources, with R38.757 million allocated for the carry-through costs of the Treasury/Health assistance plan, as well as R50.450 million being carry-through costs for the storm damage repairs at hospitals and clinics.

6.2 Departmental receipts collection

A summary of revenue collected by the Department of Health over the seven-year period under review is reflected in Table 7.2. Details of these departmental receipts are given in *Annexure – Vote 7: Health*.

Table 7.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	250 237	213 371	256 922	232 069	232 069	254 045	247 718	263 599	281 317
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	31	54	36	61	61	72	65	68	72
Interest, dividends and rent on land	143	51	3 316	71	71	66	149	157	166
Sale of capital assets	14 009	-	970	12 600	12 600	10 093	13 343	14 091	14 866
Transactions in financial assets and liabilities	25 513	30 118	36 860	15 707	15 707	21 019	16 634	17 565	18 531
Total	289 933	243 594	298 104	260 508	260 508	285 295	277 909	295 480	314 952

The bulk of revenue collected is against *Sale of goods and services other than capital assets*. The major receipts against this category relate to patient fees, boarding fees, rentals, parking fees, commission charged on PERSAL deductions for insurance premiums and garnishees, etc. The high collection in 2016/17 and in the 2017/18 Revised Estimate was due to higher than anticipated receipts from boarding services and patient fees. The 2018/19 MTEF shows a positive trend which is largely against patient fees.

The following points provide information on factors influencing the collection of health patient fees:

- Due to the socio-economic challenges that exist in the province, most recipients of health services are unable to make a meaningful contribution for the services provided. Through the Revenue Enhancement Strategy, the department is focusing on how to optimise revenue from patients who can afford but are currently receiving free services. The department had planned to roll out the Meditech system to improve the revenue collection but due to budget pressures the implementation was put on hold. This system will, among others, be able to identify and verify patients who can afford to pay for health services and eventually identify those who are members or beneficiaries of medical aid schemes. So far, the system has been implemented at both Northdale (new) and Grey's hospital (upgrade). The revenue projections will be reviewed once the implementation is complete.
- Provision of free services at health institutions is for pregnant women, social pensioners, unemployed citizens and patients on the ART programme, who do not belong to any medical aid scheme.
- There is an ongoing review of the Uniform Patient Fee Structure (UPFS) by NDOH that is applicable to private hospital patients (PHP), i.e. medical aid patients, statutory cases and patients whose income exceeds the limit for free services, resulting in more groups being exempt from the payment of fees and the reduction in fees payable by certain categories of patients.

Fines, penalties and forfeits reflects revenue collected from parking transgressions.

Interest, dividends and rent on land reflects interest collected on staff debts. The fluctuation over the seven-year period are due to the volatility in staff debts, coupled with interest rate changes.

Sale of capital assets relates to the sale of redundant assets such as motor vehicles and equipment. The amounts collected in 2014/15, 2016/17 and in the 2017/18 Revised Estimate are from motor vehicles and office equipment sold at auctions. The budget over the 2018/19 MTEF is conservative due to the difficulty in budgeting for the revenue source.

Transactions in financial assets and liabilities relates to the recovery of staff debts, which emanate mainly from salary reversals from previous financial years, breached bursary contracts, refunds of previous years' expenditure, etc. The fluctuating trend over the seven-year period is due to the uncertain nature of this revenue source.

6.3 Donor and agency funding

Donor and agency funding received by the department, which falls outside its voted fund allocation, is summarised in Tables 7.3 and 7.4.

Table 7.3 : Details of donor and agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Donor funding	125	60	-	-	-	-	-	-	-
MASEA Awards	125	60	-	-	-	-	-	-	-
Agency funding	802	1 857	5 311	-	-	1 306	-	-	-
HWSETA	718	960	1 597	-	-	1 306	-	-	-
HWSETA Learnership: Dental/Oral Hygiene	-	-	1 900	-	-	-	-	-	-
HWSETA Learnership: Sign Language Training	-	-	387	-	-	-	-	-	-
HWSETA Learnership: Social Environmental Health	-	-	280	-	-	-	-	-	-
HWSETA Learnership: Tradesman RPL	-	897	-	-	-	-	-	-	-
HWSETA Learnership: TVET Graduates	-	-	450	-	-	-	-	-	-
PSETA: Church of Scotland, Ekombe & Nkandla Hospitals	84	-	-	-	-	-	-	-	-
PSETA	-	-	697	-	-	-	-	-	-
Total	927	1 917	5 311	-	-	1 306	-	-	-

Table 7.4 : Details of donor and agency funding payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
Donor funding	78	171	1 293	-	-	2 654	3 664	-	-
Astra Zeneca	-	-	-	-	-	29	-	-	-
Atlantic Philanthropies	60	110	1 283	-	-	2 500	3 664	-	-
COGTA	-	-	-	-	-	3	-	-	-
Conforth Investments	18	-	-	-	-	32	-	-	-
Impumelelo Trust Innovation	-	-	-	-	-	24	-	-	-
SA Breweries	-	-	-	-	-	2	-	-	-
MASEA Awards	-	61	10	-	-	64	-	-	-
Agency funding	1 054	3 909	931	-	-	2 435	-	-	-
HWSETA Learnership - Bethesda Sub-Campus	-	-	-	-	-	20	-	-	-
HWSETA Learnership - Edendale Campus	-	-	-	-	-	126	-	-	-
HWSETA Learnership - Head Office	-	137	-	-	-	-	-	-	-
HWSETA Learnership - HIV and AIDS Support	-	-	-	-	-	45	-	-	-
HWSETA Learnership - King Edward Sub-Campus	23	188	-	-	-	67	-	-	-
HWSETA Learnership - Mosvold	-	-	-	-	-	91	-	-	-
HWSETA Learnership - Mseleni	-	-	-	-	-	12	-	-	-
HWSETA Learnership - Ngwelezane	-	-	-	-	-	158	-	-	-
HWSETA Learnership - Nkandla	6	-	-	-	-	26	-	-	-
HWSETA Learnership - Pharmacy	-	-	-	-	-	28	-	-	-
HWSETA Learnership - Prince Mshiyeni Hospital	-	-	4	-	-	11	-	-	-
HWSETA Learnership - Social and Auxilliary	-	35	-	-	-	-	-	-	-
HWSETA Learnership - St Aidan's Hospital	-	1	84	-	-	110	-	-	-
HWSETA Learnership - Dental/Oral Hygiene	-	2 610	405	-	-	1 085	-	-	-
HWSETA Learnership - Sign Language Training	-	-	757	-	-	-	-	-	-
HWSETA Learnership - Social Environmental Health	-	300	230	-	-	50	-	-	-
HWSETA Learnership - Tradesman RPL	-	-	709	-	-	188	-	-	-
HWSETA Learnership - TVET Graduates	-	-	590	-	-	255	-	-	-
HWSETA	1 025	329	-	-	-	-	-	-	-
PSETA	-	309	(1 848)	-	-	-	-	-	-
HWSETA - Bridging for enrolled nurse training	-	-	-	-	-	163	-	-	-
HWSETA - isiZulu training	-	-	-	-	-	-	-	-	-
Total	1 132	4 080	2 224	-	-	5 089	3 664	-	-

It is noted that spending on donor funds in Table 7.4 exceeds receipts in Table 7.3 in 2014/15 and 2017/18. This is due to the roll-over of unspent receipts from previous financial years, offsetting expenditure incurred in future years. These roll-overs related mainly to the learnerships received from the HWSETA programme. In addition, the Atlantic Philanthropies was also unspent due to delays experienced with the tender process. Hence, an amount of R6.164 million was part of the roll-over to 2017/18. This donation was received to strengthen the capacity of nursing education institutions in KZN. The department anticipates spending the balance by 2018/19.

The department received new donor funding in 2017/18 from various HWSETA sources amounting to R2.435 million. These funds are for learnership programmes in various hospitals and will be spent in 2017/18.

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 8, as well as in the *Annexure – Vote 7: Health*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Although provision should have been made for an inflationary wage adjustment of 6.5 per cent in 2018/19, 6.3 per cent in 2019/20 and 6.5 per cent for 2020/21, as well as 1.5 per cent per year for pay progression, this was not possible in 2018/19 due to pressures from non-negotiables and medico-legal claims. The department has only provided for a 5.7 per cent increase in 2018/19, 7.7 per cent in 2019/20 and an adequate 8.4 per cent provision in the outer year of the MTEF. The situation in 2018/19 will be reviewed by the department during 2018/19 as it means the department cannot afford its existing staff complement, let alone the filling of any posts.
- Where feasible, CPI projections were used to calculate inflation related items. Note that, for medical related items, inflation is at least 2 per cent higher than CPI.

- Funding for the salaries of staff at eThekweni Metro municipal clinics will be provided *via* transfer payments over the 2018/19 MTEF. Additional allocations are made for non-negotiable items like ARV medicine, HIV test kits, medicine, vaccines, contraceptives, etc.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.
- In late 2017/18, the department began a process of preparing a turnaround plan in conjunction with an assisting team from Provincial Treasury to address persistent over-spending over the past few years. The plan aims to identify areas of cost-cutting/efficiency to reduce accruals and over-spending, and redirect any savings to areas of pressure including *Compensation of employees* and NHLS. This will be an ongoing process and reprioritisation will take place in-year.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 7.5 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 7.5 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	1 798 534	2 639 093	2 720 278	2 872 614	3 030 609
Above-budget 2015 wage agreement	664 889	712 135	765 440	808 305	852 762
HPV vaccine reduction	(42 548)	(42 477)	(42 406)	(44 781)	(47 244)
Hospital linen	80 000	-	-	-	-
NHLS fee-for-service pressures	310 497	329 124	348 872	368 409	388 672
Exchange rate pressures - medicine, equipment and supplies	785 696	1 640 311	1 648 372	1 740 681	1 836 419
2017/18 MTEF period		(64 599)	(40 211)	228 172	861 005
Susp. of balance of funds from V4: Small Business Growth Enterprise for exchange rate pressures		51 000	-	-	-
PES and Provincial Own Revenue reductions		(84 370)	(96 452)	(171 079)	(180 488)
Budget cuts to fund remuneration of <i>Izinduna</i>		(31 870)	(33 623)	(35 473)	(37 424)
Additions for exchange rate pressures		-	-	211 111	222 722
Additional funding from National Treasury		-	-	222 922	235 183
Baseline adjustment		641	658	691	729
2018/19 MTEF period			89 206	-	620 284
Treasury/Health assistance plan			38 756	-	-
Above-budget wage agreement			-	-	620 284
Disaster relief - flooding of 10 October 2017			50 450	-	-
Total	1 798 534	2 574 494	2 769 273	3 100 786	4 511 898

In the 2016/17 MTEF, the following changes were made to the department's baseline:

- Carry-through costs of the above-budget 2015 wage agreement.
- The human papillomavirus vaccine (HPV) funding, which was scheduled to end as an indirect grant in 2015/16 and become part of the department's equitable share from 2016/17, continued as an indirect grant for the first two years of the 2016/17 MTEF before changing to a direct grant in 2018/19. This funding was thus removed from the equitable share baseline.
- Funding was provided in 2016/17 only for the once-off purchase of hospital linen.
- Additional funding to fully address pressures which arose from the change in payment mechanism for NHLS to a fee-for-service payment.
- Additional funding for pressures related to the weakening exchange rate affecting imported medicines, medical equipment and supplies.

In the 2017/18 MTEF, the following changes were made to the department's baseline:

- Funds were suspended from Vote 4: EDTEA, and allocated to the department in 2017/18 only, specifically toward the exchange rate pressures in procuring medicines and medical supplies.
- The department's budget was reduced as a result of a reduction of the PES allocation due to data updates of the PES formula, fiscal framework reductions, as well as a downward revision of the Provincial Own Revenue numbers.

- The budget was further reduced in line with a Provincial Executive Council decision that the *Izinduna* in KZN must be remunerated, as per a Presidential Proclamation in this regard. As this is an unfunded mandate, the funding required for this payment was financed by Vote 11: COGTA providing 50 per cent of the required amount through reprioritisation of their budget, while the remaining 50 per cent was sourced by proportionately cutting all remaining Votes' budgets.
- The department's budget was increased in 2019/20 through funding from National Treasury with carry-through to assist with the exchange rate pressures relating to the procurement of medicines and medical supplies.
- National Treasury allocated additional funding to provinces in 2019/20, with carry-through. This amount was proportionately allocated to all 15 Votes to ensure that the budget cuts referred to above were offset.
- The department also received a minor baseline adjustment over the MTEF.

In the 2018/19 MTEF, the following changes are made to the department's baseline:

- Funds are allocated in 2018/19 only for the Treasury/Health assistance plan. This funding is for carry-through costs related to funding allocated in the 2017/18 Adjustments Estimate. Note that these funds are specifically and exclusively allocated and may therefore not be used for any other purpose.
- National Treasury allocated additional funding to provinces in 2020/21, with funding proportionately allocated to all 15 Votes to assist with the spending pressures from the above-budget wage agreement.
- There is also some funding allocated toward repairing infrastructure that was damaged by floods on 10 October 2017. While part of this allocation was provided in the 2017/18 Adjustments Estimate, the balance is allocated in 2018/19 and these funds are specifically and exclusively allocated for this purpose.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R154.207 million in the 2018/19 Adjustments Estimate.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 7.5, this funding was specifically and exclusively appropriated. Although the department has fully implemented its revised infrastructure staffing structure that this funding was intended for, it should be noted that amounts of R25.265 million, R26.680 million and R28.147 million of the department's baseline are for this purpose over the three years of the 2018/19 MTEF.

7.3 Summary by programme and economic classification

The department has eight budget programmes in total, with four of them directly linked to the core functions, and they fully adhere to the generic Health sector structure. Tables 7.6 and 7.7 provide a summary of payments and estimates of these eight programmes, as well as per economic classification, respectively.

The department is liable for the repayment of over-expenditure in 2013/14, resulting in a first charge against the budget from 2015/16 to 2017/18, and this is reflected under Programme 1: Administration and against *Payments for financial assets*. This is shown as a footnote in Tables 7.6 and 7.7.

Most programmes show sustained growth from 2014/15 to 2020/21, with conditional grants accounting for a significant portion of this increase, along with the previously mentioned additional funding by the province for exchange rate and NHLS pressures.

Table 7.6 : Summary of payments and estimates by programme: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	701 925	846 622	845 674	891 171	897 415	882 614	811 207	812 687	868 200
2. District Health Services	14 334 353	16 007 896	17 723 971	18 993 346	19 441 200	19 659 155	20 825 714	22 429 843	24 246 450
3. Emergency Medical Services	1 068 113	1 174 406	1 209 263	1 277 850	1 358 514	1 403 117	1 415 686	1 521 158	1 632 004
4. Provincial Hospital Services	8 473 425	9 214 364	9 822 915	10 612 363	10 622 756	10 728 960	11 232 418	11 847 092	12 747 510
5. Central Hospital Services	3 817 800	4 124 929	4 534 157	4 581 578	4 681 578	4 755 928	4 955 993	5 213 898	5 714 321
6. Health Sciences and Training	1 018 949	1 058 794	1 201 074	1 241 683	1 241 683	1 263 186	1 264 350	1 281 885	1 312 749
7. Health Care Support Services	151 908	166 095	268 768	293 954	229 354	221 476	313 640	322 359	343 490
8. Health Facilities Management	1 679 037	1 517 618	1 420 575	1 656 528	1 457 978	1 515 727	1 528 656	1 528 213	1 459 252
Total	31 245 510	34 110 724	37 026 397	39 548 473	39 930 478	40 430 163	42 347 664	44 957 135	48 323 976
Unauth. Exp. (1st charge) not available for spending	-	(107 607)	(107 607)	(107 608)	(107 608)	(107 608)	-	-	-
Baseline available for spending after 1st charge	31 245 510	34 003 117	36 918 790	39 440 865	39 822 870	40 322 555	42 347 664	44 957 135	48 323 976

Table 7.7 : Summary of payments and estimates by economic classification: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	28 911 128	31 899 939	34 739 862	37 075 809	37 215 923	37 548 048	39 695 959	42 352 834	45 784 761
Compensation of employees	20 014 542	21 793 160	23 354 896	25 246 832	24 962 432	24 777 838	26 178 626	28 191 328	30 565 276
Goods and services	8 895 900	10 105 233	11 382 844	11 828 580	12 251 359	12 767 311	13 516 936	14 161 087	15 219 043
Interest and rent on land	686	1 546	2 122	397	2 132	2 899	397	419	442
Transfers and subsidies to:	828 088	843 093	1 035 657	923 771	1 027 358	1 194 477	982 961	985 139	1 023 395
Provinces and municipalities	122 618	133 330	159 755	198 990	210 519	225 894	219 734	232 091	244 857
Departmental agencies and accounts	15 895	19 009	20 131	20 031	19 155	19 274	21 067	22 246	23 469
Higher education institutions	16	-	-	-	-	-	-	-	-
Foreign governments and international organisations	66	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	10	-	-	-	-	-	-	-
Non-profit institutions	222 051	213 402	203 929	210 687	143 454	142 226	54 870	56 513	58 508
Households	467 442	477 342	651 842	494 063	654 230	807 083	687 290	674 289	696 561
Payments for capital assets	1 505 879	1 257 629	1 106 314	1 441 285	1 579 473	1 579 896	1 668 744	1 619 162	1 515 820
Buildings and other fixed structures	1 206 505	1 052 053	910 917	819 107	926 250	972 667	963 192	743 360	646 960
Machinery and equipment	299 374	205 576	195 397	622 178	653 223	607 229	705 552	875 802	868 860
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	415	110 063	144 564	107 608	107 724	107 742	-	-	-
Total	31 245 510	34 110 724	37 026 397	39 548 473	39 930 478	40 430 163	42 347 664	44 957 135	48 323 976
Unauth. Exp. (1st charge) not available for spending	-	(107 607)	(107 607)	(107 608)	(107 608)	(107 608)	-	-	-
Baseline available for spending after 1st charge	31 245 510	34 003 117	36 918 790	39 440 865	39 822 870	40 322 555	42 347 664	44 957 135	48 323 976

Note that, as previously mentioned, the allocation for the Health Facility Revitalisation grant is relatively low in the outer years due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. This affects Programme 8: Health Facilities Management and *Buildings and other fixed structures* in 2019/20 and 2020/21.

The increase over the 2018/19 MTEF includes the carry-through costs of previous wage agreements and the increases to existing conditional grants, as well as the above-mentioned additional funding, with carry-through, for the pressures in NHLS due to the change in payment mechanism to fee-for-service, and to assist with the pressures on imported medicines, medical supplies and equipment, resulting from the weakening exchange rate.

The negative growth in Programme 1: Administration in 2016/17 relates to a decision to use internal capacity to conduct disciplinary inquiries, with only complex cases referred to consultants. As mentioned, the department was liable for the first charge of the unauthorised expenditure to be paid from 2015/16, hence the increase in that year. The increase in the 2017/18 Main and Adjusted Appropriation is largely due to the decision to improve internet connectivity at all clinics and legal cost pressures related to defending medico-legal claims. The negative growth in 2018/19 is due to the first charge being fully paid in 2017/18, as well the fact that the internet connectivity funding is once-off. Mitigating the negative growth in 2018/19 to some degree is additional funding for the Treasury/Health assistance plan. These funds will be used to put in place maintenance contracts for SLAs for medical equipment, provide urgent oncology services and carry out maintenance at the Provincial Pharmaceutical Supply Depot (PPSD).

The increase in Programme 2: District Health Services over the seven years relates mainly to the restructuring of the department to improve service delivery at the PHC level. In addition, expenditure included the various wage agreements and increases in the Comprehensive HIV, AIDS and TB grant. The increase in 2015/16 was due to the above-budget 2015 wage agreement, an increase in NHLS payments as a result of the fee-for-service payment method that was introduced, the municipal clinics carry-over expenditure from 2014/15 and extreme pressure in respect of non-negotiable items such as medicines, medical supplies, laboratory services, patient catering, security and cleaning services. This group of items was under pressure due to increases in contract prices of security and cleaning services and increased medicine costs due to the weakening of the Rand, hence a further increase in 2016/17, with the procurement of an additional four MMC vehicles, resuscitation equipment for CHCs, ideal clinic major medical equipment, the deferment of medical equipment procurement processes from 2015/16, as well as the increased medico-legal claims costs. The programme continues to show pressure, with the 2017/18 Revised Estimate showing projected year-end over-spending mainly due to the previously mentioned change from the flat-fee regime to the fee-for-service payment method, the ARV medicine pressures brought about by the implementation of the UTT programme, as well as the withdrawal of the supply of donor medicines. The 2018/19 MTEF includes strong growth in the Comprehensive HIV, AIDS and TB grant, particularly in 2018/19 and 2020/21, despite budget cuts from the 2017/18 MTEF process in 2017/18 and 2018/19.

In Programme 3: Emergency Medical Services, the overall growth is due to the continued drive to improve emergency medical services. The growth in 2015/16 was due to the once-off purchase of additional ambulances to continue the expansion of services to under-served areas. Spending in 2015/16 also included emergency vehicles and aeromedical services carry-over expenditure from 2014/15. The low growth in 2016/17 relates to the deferment of ambulance payments to 2017/18 due to cash blocking. The increase in the 2017/18 Revised Estimate relates to unbudgeted overtime payments to paramedic staff. The relatively flat growth in 2018/19 is due to the once-off payment for ambulances carried over from 2016/17, as well as arrears for overtime paid in 2017/18. Growth in the two outer years of the MTEF is inflationary only.

Overall, Programme 4: Provincial Hospital Services grows consistently over the entire period. The increase in 2015/16 was due to the previously mentioned NHLS fee-for-service payments, increased costs of non-negotiable items, water, electricity, as well as claims against the state. The growth in the same items was sustained in 2016/17, with additional pressure from the settlement of outstanding Joint Medical Establishment (JME) payments from 2015/16 (an arrangement with UKZN for registrar and specialist medical training). The projected over-spending in the 2017/18 Revised Estimate is largely due to medico-legal claims. The growth over the 2018/19 MTEF is inflationary only, with some reduction in the NHLS budget due to the carry-through of previous budget cuts and the anticipated savings from the NHLS electronic gate-keeping, the once-off settlement of the JME outstanding payment in 2017/18, as well as medico-legal claims which, although budgeted for, remain under-funded.

The sustained growth in Programme 5: Central Hospital Services from 2014/15 to 2020/21 mainly relates to the provision for the development and improvement of tertiary services. The impact of the introduction of the various OSDs for medical personnel, higher medical inflation and the Rand/Dollar exchange rate are also reflected in the trends. The increase from 2014/15 to 2016/17 was mainly due to higher than expected costs for the PPP at IALCH. These costs were subject to exchange rate fluctuations. In addition, there was some over-spending against medical supplies, also influenced by the exchange rate and medical inflation. The increase in 2015/16 was mainly related to the filling of critical posts to strengthen neonatal services, the NHLS fee-for-service payment method, as well as the PPP carry-over expenditure from 2014/15. The high growth in 2016/17, mainly against medicines, laboratory services and medical supplies, related to the low base in 2015/16, which resulted from the reversal of the medicine levy, the NHLS fee-for-service payment method, as well as the accrual of some medical supply and NHLS payments to 2016/17. The growth in the 2017/18 Adjusted Appropriation and Revised Estimate is attributable to the pressures against NHLS due to the migration from the flat-fee to a fee-for-service payment method, medical supplies due to outstanding payment from previous financial years and provision for urgent oncology services, as well as medical equipment as a result of the decentralisation of the procurement process for the Health Technology Services (HTS) related medical equipment from Programme 8 to the

relevant programmes in line with the level of care. The 2018/19 MTEF sees some reduction in the NHLS budget due to the carry-through of previous budget cuts and the anticipated savings from the NHLS electronic gate-keeping. Growth over the MTEF is largely inflationary related.

Programme 6: Health Sciences and Training shows consistent but low growth. The low growth in 2015/16 was related to the scaling down of the intake in some nursing training programmes. The increase in 2016/17 was due to the carry-through costs of the increase in the number of students (15) in the Cuban Doctors' programme intake in 2015/16, the accrual of some bursary payments to 2016/17, as well as the increased cost of the programme due to the weakening Rand/Dollar exchange rate. The low growth in 2017/18 is due to the above-mentioned accrued expenditure from 2015/16 to 2016/17. The 2018/19 MTEF increase accounts for inflation only, with a more favourable Rand/Dollar exchange rate assisting in the pressure from the Cuban Doctors' programme. It is projected that 261 students will return from Cuba in 2018/19 and, based on the current pass rate, approximately 225, 69 and 17 students will return from 2019/20 to 2021/22, respectively, to serve an 18 month internship before absorption into the department. This will be funded *via* reprioritisation of funds in-year and in the next budget process from bursaries.

Programme 7: Health Care Support Services shows significant growth over the entire period, mainly attributable to the growth under laundry services. Funding for 2015/16 and 2016/17 provided for the commissioning of the KwaZulu Provincial Laundry. Once-off additional linen and laundry trucks were procured during this period, explaining the increase in 2016/17. In addition, there were delays in the commissioning of the KwaZulu Provincial Laundry in 2015/16, hence there were further costs in 2015/16 related to the outsourcing of laundry services. The high growth in 2017/18 relates to the planned re-incorporation of the PPSD into the department's budget structure as a sub-programme in this programme. This is in response to audit queries that were raised by the A-G. However, the planned re-incorporation was put on hold to allow the department to strengthen systems in the PPSD, hence the reduction in the 2017/18 Adjusted Appropriation and Revised Estimate. The budget grows significantly in 2018/19 due to the postponed re-incorporation. Growth thereafter is for inflationary purposes only.

Programme 8: Health Facilities Management is mainly financed through conditional grant funding and the programme's performance is directly linked to the Health Facility Revitalisation grant. The variances in this programme also account for the variances against *Buildings and other fixed structures*. The decrease in 2015/16 follows once-off funding of R200 million allocated in 2014/15 for infrastructure pressures in the Health Facility Revitalisation grant. The increase in 2017/18 was due to additional funding for the effect of the weakening exchange rate on the cost of medical equipment. The decrease in the 2017/18 Adjusted Appropriation and Revised Estimate was due to the decentralisation of the HTS budget to facilities in Programmes 2, 4 and 5. The trend over the MTEF is mainly related to major projects, particularly Dr. Pixley Ka Isaka Seme Hospital, which is anticipated to be largely completed in 2019/20.

Compensation of employees shows growth in 2015/16, mainly due to the carry-through costs of the various OSDs for medical personnel and other staff categories, as well as higher than anticipated wage agreements. The increase in 2015/16 also relates to the increase in the housing allowance, which formed part of the 2015 wage agreement. The reduction in the 2017/18 Adjusted Appropriation and the further reduction in the 2017/18 Revised Estimate is due to slow recruitment processes for the filling of non-OSD vacant posts, the deferment of filling district management posts, as well as the difficulty in attracting suitable applicants for psychiatry, oncology, neurology, obstetrics, orthopaedics and laundry services, etc., at prioritised facilities. The growth over the 2018/19 MTEF is insufficient, particularly in the first two years, and does not fully cover inflationary adjustments, nor the 1.5 per cent pay progression due to exchange rate pressures and the funding of non-negotiables. This is particularly evident in 2018/19. This implies that there is no room for the department to fill any vacancies. The department is currently looking into staffing needs as part of the Treasury/Health assistance plan and will review the budget in-year.

Goods and services grows strongly from 2014/15 to 2016/17. As mentioned, the department now provides for the payment of NHLS costs *via* a fee-for-service mechanism which is significantly higher than the previous flat-fee rate. The growth is also related to the increase in demand for health services, the high rate of inflation on medical supplies and services, as well as increased catering and fuel costs. Other contributing factors are the increasing demand for ART, treatment of MDR/XDR TB, the introduction of specific projects such as the reduction of infant and child mortality through immunisation, increased costs

of non-negotiables, increased costs of water and electricity, as well as a substantial increase in the Comprehensive HIV, AIDS and TB grant. The growth in 2015/16 and 2016/17 includes additional funding for NHLS pressures, ARV treatment, the carry-through costs of national priority initiatives, acceleration in the day-to-day maintenance of existing facilities, as well as inflationary adjustments. The growth in 2016/17 was also due to NHLS and exchange rate pressures. The growth in the 2017/18 Adjusted Appropriation and Revised Estimate is attributable to the change to the UTT programme for patients diagnosed with HIV and AIDS, as well as the withdrawal of support by donors for the supply of ARVs and NHLS fee-for-service payment pressures due to commitments from 2016/17 and pressures on legal fees as a result of the increase in the amount of litigation being defended. Also contributing is funding provided as part of the Treasury/Health assistance plan to assist with NHLS pressures, as well as outstanding medical supplies accounts, among others. The lower growth in 2018/19 is attributable to the once-off clearing of medical supplies accruals in 2017/18 as part of the Treasury/Health assistance plan. The growth over the three MTEF years is 5.7 per cent, 7.7 per cent and 8.4 per cent, respectively, below medical inflation, which is estimated at 8.8 per cent.

The 2014/15 to 2016/17 spending on *Interest and rent on land* largely relates to interest costs on medico-legal claims and interest on overdue accounts. The increase in the 2017/18 Adjusted Appropriation and Revised Estimate relates to unanticipated payment of interest on a labour dispute, as well as interest charged on all overdue accounts, such as municipal services accounts and Telkom accounts.

The strong growth from 2014/15 to 2017/18 against *Transfers and subsidies to: Provinces and municipalities* relates mainly to the commitment to strengthen the treatment of HIV and AIDS by municipal clinics and ensure that the levels of care provided meet provincial standards. There were delays in the signing of SLAs with the eThekweni Metro in 2016/17 which resulted in expenditure being carried over to 2017/18, hence the high growth in the 2017/18 Adjusted Appropriation and Revised Estimate, followed by lower growth in 2018/19. The growth in the two outer years of the MTEF is inflationary only.

The increase against *Transfers and subsidies to: Departmental agencies and accounts* in 2015/16 provides for the HWSETA levy, in line with the growth in *Compensation of employees*. The negative growth in 2017/18 relates to delays in filling posts. The growth over the 2018/19 MTEF matches that of *Compensation of employees* and is inflationary only.

The negative growth in *Transfers and subsidies to: Non-profit institutions* in 2015/16 was due to the revised St Mary's Hospital funding that was based on the cost per Patient Day Equivalent (PDE). In addition, the department made provision for the phased-in contribution to the KZN Children's Hospital infrastructure and renovations up to 2015/16, with no provision thereafter, hence the negative growth in 2016/17. The decline in 2017/18 and the negative growth in 2018/19 is due to the provincialisation of St Mary's Hospital to become a departmental facility. The 2018/19 MTEF does not provide for the full inflationary adjustment of transfers to NGOs due to the carry-through effect of previous budget cuts.

The fluctuating trend against *Transfers and subsidies to: Households* relates to staff exit costs and medico-legal claims. The increasing trend from 2014/15 to 2015/16 was related to high medico-legal claims and pressures regarding the Cuban Doctors' programme. Although, as previously mentioned, NDOH has given instructions that no further recruitment is to take place, the costs for those students already in Cuba are influenced by the fluctuating exchange rate. Note that an estimated 261 are returning in 2018/19. It is projected, based on current pass rate, that approximately 225, 69 and 17 students will return from 2019/20 to 2021/22, respectively, to serve an 18-month internship before graduating, to be funded *via* reprioritisation within Programme 6. The high growth in 2016/17 was due to medico-legal claims. There is some provision for medico-legal claims in 2018/19, but this is not sufficient, hence the negative growth in 2018/19 and relatively flat growth in the two outer years of the MTEF. The department cannot reprioritise all the funds required towards medico-legal claims at this stage, due to other competing service delivery needs, and this will need to be addressed in-year by the department. The Treasury/Health assistance plan will assist in identifying areas of savings and efficiency, and there is an expectation of reduced costs over the MTEF due to new strategies developed by the medico-legal unit.

As mentioned under Programme 8, the *Buildings and other fixed structures* trend is largely related to the trend in the Health Facility Revitalisation grant. From 2014/15, the trend reduces in line with the

availability of grant funds, and the reprioritisation of some equitable share funding from new projects to accelerate the day-to-day maintenance of existing infrastructure. The MTEF trend is mainly affected by the project plan for the Dr. Pixley Ka Isaka Seme Hospital, largely due for completion in 2019/20.

The negative trend in *Machinery and equipment* in 2015/16 and 2016/17 relates to the census-based budget cuts, implemented from the 2013/14 MTEF onward, as well as committed and contracted capital projects which were in construction phase and could not be stopped, resulting in the department having to reprioritise funding to other non-negotiable service delivery imperatives, hence the decrease over this period. The high growth in 2017/18 is attributable to the increased allocation to clear the backlog in the procurement of medical equipment caused by the previously mentioned budget cuts. The budget remains at this higher level in 2018/19 with strong growth in 2019/20, to continue addressing the backlogs.

Payments for financial assets reflect debts that were written-off over the period, as well as the payments for the unauthorised expenditure first charge.

7.4 Summary of conditional grant payments and estimates

Tables 7.8 and 7.9 illustrate conditional grant payments and estimates from 2014/15 to 2020/21. Details of all conditional grants are listed below, with further detail given in *Annexure – Vote 7: Health*.

Note that the historical figures set out in Table 7.1 for the period 2014/15 to 2016/17, indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 7.8, which shows expenditure against the grants.

Table 7.8 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Comprehensive HIV, AIDS and TB grant	3 257 870	3 813 455	4 247 525	4 852 495	4 852 495	5 031 793	5 677 225	6 114 218	6 701 673
Health Facility Revitalisation grant	1 362 469	1 231 997	1 121 993	1 149 355	1 149 355	1 149 355	1 202 480	1 153 049	1 216 467
Health Professions Training and Development grant	292 847	299 898	312 377	331 944	331 944	331 944	351 197	370 863	391 260
National Tertiary Services grant	1 496 427	1 530 223	1 596 286	1 696 266	1 696 266	1 696 266	1 794 649	1 895 149	2 022 124
National Health Insurance grant	18 399	9 494	25 045	-	311	311	-	-	-
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	44 976	47 495	50 107
EPWP Integrated Grant for Provinces	2 581	3 682	7 122	8 400	8 400	8 400	8 896	-	-
Social Sector EPWP Incentive Grant for Provinces	2 580	13 000	13 000	47 058	47 058	47 058	24 182	-	-
Total	6 433 173	6 901 749	7 323 348	8 085 518	8 085 829	8 265 127	9 103 605	9 580 774	10 381 631

Note: 2014/15 figures have been corrected to correspond to the Annual Financial Statements

Table 7.9 : Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	5 042 734	5 888 705	6 398 715	7 139 577	6 858 313	7 026 177	7 973 992	8 525 723	9 251 125
Compensation of employees	3 000 837	3 202 757	3 483 965	3 843 543	3 201 440	3 190 602	2 886 897	3 069 974	3 304 570
Goods and services	2 041 896	2 685 948	2 914 750	3 296 034	3 656 873	3 835 575	5 087 095	5 455 749	5 946 555
Interest and rent on land	1	-	-	-	-	-	-	-	-
Transfers and subsidies to:	64 450	83 438	62 591	123 407	122 546	136 780	137 511	144 817	152 498
Provinces and municipalities	40 000	60 000	40 000	100 000	100 000	116 846	115 000	121 492	128 174
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	14 292	13 790	11 454	11 507	11 507	11 321	11 821	12 017	12 678
Households	10 158	9 648	11 137	11 900	11 039	8 613	10 690	11 308	11 646
Payments for capital assets	1 325 989	929 606	862 042	822 534	1 104 970	1 102 170	992 102	910 234	978 008
Buildings and other fixed structures	1 171 045	908 861	801 938	783 994	919 607	919 607	831 245	585 962	552 125
Machinery and equipment	154 944	20 745	60 104	38 540	185 363	182 563	160 857	324 272	425 883
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	6 433 173	6 901 749	7 323 348	8 085 518	8 085 829	8 265 127	9 103 605	9 580 774	10 381 631

Note: 2014/15 figures have been corrected to correspond to the Annual Financial Statements

The **Comprehensive HIV, AIDS and TB grant** is provided to enable the sector to develop effective and integrated management of HIV, AIDS and TB, to support the implementation of the National Operational Plan for comprehensive HIV and AIDS treatment and care and to subsidise, in part, funding for the ARV treatment programme. The grant was extended in 2016/17 to also include TB and a sizeable additional allocation was received, particularly in 2018/19. The substantial growth indicates the critical importance placed on managing this pandemic. The grant allocation also provides for the removal of the CD4 count process which was replaced by the UTT mechanism from 2016/17 onward. The increase in the baseline is for the continued expansion of the ARV treatment programme (in 2018/19), HIV prevention and to cater for TB screening and treatment (in the outer years). A new grant component has been added to this grant, namely the Community Outreach Services component and, of the grant total, R262.426 million, R281.170 million and R281.170 million therefore is ring-fenced over the MTEF to be spent on this component of the grant. This is done in order to integrate this cadre of health workers into the health sector, given how instrumental they have been in improving health access in South Africa, particularly in rural and vulnerable populations. Note that this grant receives additional funding over the 2018/19 MTEF, of R191.344 million in 2018/19, R2.544 million in 2019/20 and R589.999 million in 2020/21. Note also that the relatively small increase in 2019/20 follows a significant increase in 2019/20 of R556.599 million, allocated in the 2017/18 MTEF.

The **Health Facility Revitalisation grant** has the following aims:

- To accelerate the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure.
- To enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals and to transform hospital management and improve quality of care, in line with national policy objectives.
- To supplement provincial funding of health infrastructure, to accelerate the provision of health facilities including office furniture and related equipment, as well as to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.

Note that this grant peaks in 2018/19 due to its incentive nature. The department received an increase of R95.100 million in 2018/19, as the required planning documents were submitted. This grant was cut by R38.137 million in 2019/20 because of fiscal consolidation cuts and grows by R25.281 million in 2020/21.

The **Health Professions Training and Development grant** supports the department in providing funding for operational costs associated with the training and development of health professionals, development and recruitment of medical specialists in under-served provinces and support and strengthen under-graduate teaching and training processes in health facilities. The trend in this grant over the seven years reflects inflationary increases only. A decision was taken in 2011/12 to use the grant to fund the personnel costs of registrars only. The grant receives an inflation related adjustment of R20.397 million in 2020/21.

The **National Tertiary Services grant** is used to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives, including improving access and equity. The increasing trend relates mainly to additional funding provided for the modernisation of tertiary services. The grant receives an additional R126.975 million in 2020/21 for inflationary growth.

The **National Health Insurance grant** was allocated to provide financial support for the development of projects directed at improving health delivery in line with the requirements of the introduction of the NHI. The grant ceased in 2017/18, to become part of the NHI Indirect grant under NDOH.

The **Human Papillomavirus Vaccine grant**, which was scheduled to end in 2015/16, continued as an indirect grant for 2017/18 before changing to a direct grant in 2018/19, with R44.976 million allocated to this grant in 2018/19, R47.495 million in 2019/20 and R50.107 million in 2020/21, with an additional R2.612 million added in 2020/21 for inflationary growth.

The **EPWP Integrated Grant for Provinces** is used to enhance the number of full time equivalent jobs created through labour intensive infrastructure programmes, which utilises local people to maintain grounds and clean buildings. Funding of R8.896 million is provided for 2018/19 only, at this stage.

The *Social Sector EPWP Incentive Grant for Provinces* subsidises non-profit organisations in home community-based care programmes to provide stipends to previously unpaid volunteers to maximise job creation and skills development in line with the EPWP guidelines. The department receives R24.182 million in 2018/19 only, at this stage, significantly less than in 2017/18 due to a combination of poor reporting and fiscal consolidation.

The increase from 2014/15 in *Compensation of employees* results mainly from the decision to incorporate the payment of registrars (medical specialists in training) into the Health Professions Training and Development grant, the increase in the number of HIV and AIDS projects driven by the improved HIV and AIDS ARV policy resulting in the need to employ more staff, and the implementation of the OSDs for medical personnel. The decrease in the 2017/18 Adjusted Appropriation largely relates to vacant posts, particularly within the National Tertiary Services and Comprehensive HIV, AIDS and TB grants, moved to address pressures in *Goods and services*. The high growth in 2018/19 relates to additional funds for the Comprehensive HIV, AIDS and TB grant, allocated to enhance staffing levels to match the growth in levels of treatment and to cater for TB screening and treatment. The low and negative growth in the two outer years will be addressed in the next budget process.

The significant increase in *Goods and services* from 2015/16 onward is directly linked to the growth in the Comprehensive HIV, AIDS and TB grant. This relates to the funding provided for ARVs, the increase in the uptake of additional patients on the ARV programme, the increased cost of the ARV medicines to be covered by the department's budget due to the ceasing of funding by international donors, the increased costs of micro-nutrients, as well as provision for the MMC programme. As previously mentioned, this grant was extended in focus to include TB and therefore the significant growth is for the continued expansion of the ARV programme, HIV prevention and to cater for TB screening and treatment (in the outer years). The increase in the 2017/18 Adjusted Appropriation largely relates to movement of funding from *Compensation of employees* within the Comprehensive HIV, AIDS and TB grant to address pressures related to the UTT programme and the withdrawal of donor medicines. The strong growth over the 2018/19 MTEF is largely due to growth in the Comprehensive HIV, AIDS and TB grant, with additional funding provided in the 2017/18 MTEF for 2019/20, and significant increases provided over the 2018/19 MTEF specifically in 2018/19 and 2020/21.

Transfers and subsidies to: Provinces and municipalities is related to support for municipal clinics in the treatment of HIV and AIDS. The increase in 2015/16 is due to the carry-over of expenditure from 2014/15 resulting from delays in finalising the SLAs with the eThekweni Metro for municipal clinics. The increases from 2017/18 onward relate to the ongoing support for municipal clinics.

The funding against *Transfers and subsidies to: Non-profit institutions* relates to similar support to NGOs for treatment related to HIV and AIDS.

The decrease in *Buildings and other fixed structures* in 2015/16 and 2016/17 was mainly due to slower than expected progress on the Dr. Pixley Ka Isaka Seme Hospital, funded by the Health Facilities Revitalisation grant, with funding redirected to maintenance projects. The increase in the 2017/18 Adjusted Appropriation was due to pressures from the Dr. Pixley Ka Isaka Seme Hospital project. The 2018/19 MTEF trend is linked to the trends in the Health Facility Revitalisation grant, as well as the Dr. Pixley Ka Isaka Seme Hospital, which is anticipated to be largely completed in 2019/20.

The fluctuating trend in *Machinery and equipment* relates to the variation in the business plans of the grants related to this category, mainly the Health Facility Revitalisation grant and the National Tertiary Services grant. The 2018/19 MTEF allocations are in accordance with the business plans of the relevant grants, and include costs of essential medical equipment, such as X-ray machines, CT scanners, etc.

7.5 Summary of infrastructure payments and estimates

Table 7.10 presents a summary of infrastructure payments and estimates by categories for Vote 7. Detailed information on infrastructure is given in the *2018/19 Estimates of Capital Expenditure*.

The infrastructure trend decreases between 2014/15 to 2016/17, resulting from the previously mentioned budget cuts. Thereafter, the trend stabilises and is largely in line with the Health Facility Revitalisation

grant, affecting mainly *New infrastructure assets: Capital, Upgrades and additions: Capital*, as well as *Refurbishment and rehabilitation: Capital*.

The department provided for the building of additional CHCs and clinics, in line with its service delivery plan, as well as the upgrading or replacement of hospitals and clinics in a state of disrepair.

Table 7.10 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	1 090 541	898 254	558 192	531 532	517 269	461 694	728 588	877 002	919 226
Maintenance and repair: Current	279 290	245 428	293 595	347 514	278 089	280 557	339 329	397 693	469 617
Upgrades and additions: Capital	540 092	473 899	190 147	84 060	79 647	81 563	374 451	464 501	434 801
Refurbishment and rehabilitation: Capital	271 159	178 927	74 450	99 958	159 533	99 574	14 808	14 808	14 808
New infrastructure assets: Capital	395 254	399 227	646 320	745 248	687 070	791 530	573 933	264 051	197 351
Infrastructure transfers	-	20 000	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	20 000	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	75 684	87 257	83 109	100 000	99 184	102 634	98 421	98 541	98 653
Non infrastructure	117 768	103 698	134 954	279 748	404 311	372 000	405 829	580 640	550 644
Total	1 679 247	1 508 436	1 422 575	1 656 528	1 707 834	1 727 858	1 806 771	1 820 234	1 765 874
<i>Capital infrastructure</i>	<i>1 206 505</i>	<i>1 072 053</i>	<i>910 917</i>	<i>929 266</i>	<i>926 250</i>	<i>972 667</i>	<i>963 192</i>	<i>743 360</i>	<i>646 960</i>
<i>Current infrastructure</i>	<i>354 974</i>	<i>332 685</i>	<i>376 704</i>	<i>447 514</i>	<i>377 273</i>	<i>383 191</i>	<i>437 750</i>	<i>496 234</i>	<i>568 270</i>

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

Maintenance and repair: Current shows a fluctuating trend. The decrease in 2015/16 relates to funding reprioritised to *Machinery and equipment* to address pressures in the medical equipment replacement programme. The increase in 2016/17 relates to a more focused application of the DORA requirements for the Health Facility Revitalisation grant, which requires a 25 per cent allocation of the grant to maintenance. In addition, there was a drive to address backlogs in fixed equipment maintenance (lifts, air-conditioners, chillers, boilers, etc.). The growth in 2018/19 is slightly negative as the department funds the final stages of the Dr. Pixley Ka Isaka Seme Hospital. The hospital is due for completion in 2019/20, and *Maintenance and repair: Current* shows reasonably strong growth from 2019/20 onward, as funds are able to be reprioritised to existing assets. Projects include day-to-day maintenance at all facilities such as urgent unplanned reactive maintenance, as well as servicing of plant, equipment, air conditioning and lifts.

Upgrades and additions: Capital shows a decrease in 2015/16 related to the budget cuts. As mentioned above, this category shows a further decrease in 2016/17 related to the decrease in the Health Facility Revitalisation grant, as well a significant portion of the grant being allocated to new infrastructure projects including the Dr. Pixley Ka Isaka Seme and Ngwelezane Hospitals, which also accounts for the sustained decrease in 2017/18. This trend is reversed over the 2018/19 MTEF. The budget for this category grows as these projects near completion. Major projects being funded over the 2018/19 MTEF include the Ngwelezane Hospital surgical wards and security upgrade, the new Town Hill Office Park and the King Edward VIII Hospital upgrade of the nursery and repair of the storm water sewer and parking facility.

Refurbishment and rehabilitation: Capital shows a decline in 2015/16 due to the budget cuts. The decrease in 2016/17 relates to the decrease in the Health Facility Revitalisation grant. The budget has decreased significantly over the 2018/19 MTEF, largely as a number of projects have been reclassified as *Upgrades and additions: Capital*, including the refurbishment of the storm water drains at King Edward VIII Hospital. Projects funded over the MTEF include the replacement of external fencing and restoration of internal roads at Emmaus Hospital and refurbishment of two boilers and the steam reticulation at the Dundee Regional laundry.

The increasing trend in *New infrastructure assets: Capital* from 2014/15 to 2017/18 relates to the Dr. Pixley Ka Isaka Seme Hospital project. The allocation over the MTEF relates mainly to this project, which is expected to be complete in 2019/20. Smaller projects include the construction of the new Dannhauser and Jozini Community Health Centres and the installation of 51 autoclaves across the province.

Infrastructure transfers: Capital in 2015/16 relates to the transfer to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in eThekweni.

Infrastructure leases provides for the hiring of office accommodation including Trizon Towers and Medical Chambers in Pietermaritzburg, as well as various district offices across the province.

The category *Non infrastructure* relates mainly to the procurement of capital medical equipment and is a category introduced from the 2017/18 MTEF onward. The high budget in the 2017/18 Main Appropriation was prior to the department taking a decision to decentralise the HTS medical equipment budget to other programmes. Prior figures were restated for comparative purposes. The growth in 2017/18 and over the MTEF is due to additional funding allocated for exchange rate related pressures in the costs of essential medical equipment, including X-ray machines, CT scanners, etc. Also included in this category is *Compensation of employees*, being the costs of the various specialists (architects, engineers, etc.) employed specifically in Programme 8.

7.6 Summary of Public-Private Partnerships (PPP)

Table 7.11 provides a summary of PPP projects in the department. In 2002/03, the department entered into a PPP with Impilo Consortium (Pty) Ltd. The agreement covered the provision of equipment, information management and technology and facilities management for the IALCH. This agreement enables the department to focus on the clinical services at the hospital, and to promote the hospital as a central referral hospital, operating at the highest standards in terms of quality, efficiency, effectiveness and patient focused care. The original contract with Impilo Consortium (Pty) Ltd came to an end in 2016/17, and this was renegotiated to continue to 2019/20. The department will begin to relook at the possible further extension of the contract from 2020/21 during 2018/19.

Table 7.11 : Summary of departmental Public-Private Partnership projects

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Projects signed in terms of Treasury Regulation 16	721 659	836 715	905 378	650 000	643 728	704 584	710 000	737 000	-
PPP unitary charge	721 659	836 715	905 378	650 000	643 728	704 584	710 000	737 000	-
Total	721 659	836 715	905 378	650 000	643 728	704 584	710 000	737 000	-

Payments made for services rendered are index-linked and are thus subject to movements in CPI. Payments in 2017/18 were calculated based on current estimates. The increasing trend over the period relates mainly to the deterioration in the Rand/Dollar exchange rate (for equipment procurement). The reduction in 2017/18 is due to the anticipated savings from the new extended contract with no provision for the procurement of medical equipment, as well as cost savings from the hedging costs after the ending of the existing PPP contract in 2017. Growth over the first two years of 2018/19 MTEF is for inflationary purposes only.

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 7.12 provides a list of entities that receive funding from the department. The amounts in the table correspond to *Transfers and subsidies to: Non-profit institutions* in Table 7.7.

The transfers include the provision of general clinic, HIV and AIDS, district hospital, general hospital and TB services. The varying trend across the seven years relates mainly to the inclusion/exclusion of entities, as well as the implementation of OSD for doctors in certain institutions which qualify.

The effect of the higher than anticipated wage agreements and the OSD for doctors is shown under those institutions which qualify for state salary increases.

The decrease in 2015/16 was due to unallocated funds that were earmarked for future negotiations but were not allocated, as well as institutions that received ARV medication from the department instead of transfers. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* to offset pressures arising from the department's decision to increase HIV and AIDS funding at municipal clinics. The decrease in the 2017/18 Revised Estimate and 2018/19 is due to the ceasing of funding for St Mary's Hospital as it was taken over as a provincial hospital in 2017/18 and funding is now from other categories, mainly *Compensation of employees* and *Goods and services*.

Over the MTEF, the baseline growth is inflationary only. Note that, in 2017/18, the funds against *Earmarked for further negotiations* are funds awaiting recommendations upon receipt of requests for additional or new funding from the districts (for NGOs). These funds will be allocated as soon as the figures from the department's Committee for Grant Funding are received.

Table 7.12 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

			Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
			2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
R thousand											
Transfers to public entities			-	-	-	-	-	-	-	-	-
Transfers to other entities			222 051	213 402	203 929	210 687	143 454	142 226	54 870	56 513	58 508
Alzheimer Dementia Clinics	2.5: Other Comm. Serv.		-	-	-	-	-	-	959	988	1 017
Austerville Halfway House	2.5: Other Comm. Serv.		536	552	569	586	586	586	603	621	640
Azalea House	2.5: Other Comm. Serv.		495	510	525	541	541	541	557	574	591
Benedictine Clinic (Thwasana Clinic)	2.2: Comm. Hlth Clinics		88	44	-	-	-	-	-	-	-
Claremont Day Care Centre	2.5: Other Comm. Serv.		378	389	401	413	413	413	425	438	451
Day Care Club 91	2.2: Comm. Hlth Clinics		102	-	-	-	-	-	-	-	-
DPSA Community-based Rehabilitation Project	2.5: Other Comm. Serv.		525	927	955	984	984	984	1 013	1 044	1 075
DPSA Wheelchair Repair/Maintenance	2.5: Other Comm. Serv.		483	853	879	903	903	903	930	958	987
Duduza Care Centre (Ngo)	2.5: Other Comm. Serv.		-	-	-	400	400	400	412	424	437
Durban Coastal - Happy Hours Amaoti	2.5: Other Comm. Serv.		505	520	536	552	552	552	568	585	603
Durban Coastal - Happy Hours Durban North	2.5: Other Comm. Serv.		252	260	267	483	483	483	497	512	528
Durban Coastal - Happy Hours Durban Overport	2.5: Other Comm. Serv.		190	196	202	-	-	-	-	-	-
Durban Coastal - Happy Hours KwaXimba	2.5: Other Comm. Serv.		404	416	429	441	441	441	455	468	482
Durban Coastal - Happy Hours Mpumalanga	2.5: Other Comm. Serv.		404	416	429	441	441	441	455	468	482
Durban Coastal - Happy Hours Ninikhona	2.5: Other Comm. Serv.		252	260	267	275	275	275	284	292	301
Durban Coastal - Happy Hours Nyangwini	2.5: Other Comm. Serv.		265	273	281	290	290	290	298	307	317
Durban Coastal - Happy Hours Phoenix	2.5: Other Comm. Serv.		252	260	267	275	275	275	284	292	301
Durban Coastal - Marianhill	2.2: Comm. Hlth Clinics		126	130	-	-	-	-	-	-	-
Ekukhanyeni Clinic (AIDS step down centre)	2.6: HIV and AIDS		920	873	1 043	1 025	1 025	1 025	1 087	1 152	1 215
Enkumane Clinic	2.2: Comm. Hlth Clinics		265	-	278	287	287	287	295	304	313
Estcourt Hospice	2.5: Other Comm. Serv.		-	-	-	558	558	558	574	592	609
Ethembeni Care Centre	2.6: HIV and AIDS		4 189	3 312	3 927	5 179	5 179	5 179	5 179	5 179	5 464
Genesis Care Centre	2.6: HIV and AIDS		2 857	2 860	2 939	2 946	2 946	2 946	2 946	2 946	3 108
Hibberdene Care Centre	2.5: Other Comm. Serv.		-	-	-	331	331	331	341	351	362
Highway Hospice	2.5: Other Comm. Serv.		-	-	-	752	752	752	775	798	822
Hlanganani Ngothando	2.5: Other Comm. Serv.		214	220	227	388	388	388	399	411	424
Howick Hospice	2.5: Other Comm. Serv.		-	-	-	617	617	617	636	655	675
Humana People to People	2.6: HIV and AIDS		3 291	368	-	-	-	-	-	-	-
Ikhanzi Care Centre	2.5: Other Comm. Serv.		-	-	-	134	134	134	138	143	147
Ikwezi Cripple Care	2.5: Other Comm. Serv.		1 170	1 205	1 242	1 279	1 279	1 279	1 317	1 357	1 397
John Peattie House	2.5: Other Comm. Serv.		1 139	1 367	1 408	1 293	1 293	1 293	1 332	1 371	1 413
Jona Vaughn Centre	2.5: Other Comm. Serv.		2 017	2 420	2 493	2 567	2 567	2 567	2 644	2 724	2 805
KZN Blind and Deaf Society	2.5: Other Comm. Serv.		800	824	849	874	874	874	900	927	955
KZN Children's Hospital Trust	8.6: Other Facilities		-	20 000	-	-	-	-	-	-	-
Lynn House	2.5: Other Comm. Serv.		593	611	629	648	648	648	668	688	708
Madeline Manor	2.5: Other Comm. Serv.		866	892	919	946	946	946	975	1 004	1 034
Magaye School for the Blind	2.5: Other Comm. Serv.		458	515	530	546	546	546	563	580	597
Matikwe Oblate Clinic	2.2: Comm. Hlth Clinics		486	481	496	511	511	511	526	542	558
Mountain View Hospital	4.2: TB Hospitals		9 773	9 675	9 965	4 876	4 876	4 876	5 169	5 479	5 643
Noyi Bazi Oblate Clinic	2.2: Comm. Hlth Clinics		179	-	-	-	-	-	-	-	-
Philakade TLC (Power of God Centre)	2.2: Comm. Hlth Clinics		1 100	1 133	1 167	1 202	1 202	1 202	1 238	1 275	1 313
Philanjalo Hospice (step down centre)	2.6: HIV and AIDS		1 935	1 891	2 378	2 485	2 485	2 485	2 610	2 740	2 891
Rainbow Haven	2.5: Other Comm. Serv.		397	409	421	433	433	433	447	460	474
Scadifa Centre	2.5: Other Comm. Serv.		925	953	982	1 011	1 011	1 011	1 041	1 073	1 105
Siloah Hospital	4.4: TB Hospitals		21 873	21 934	22 592	12 425	12 425	12 425	-	-	-
Solid Foundation for Rural Development	2.5: Other Comm. Serv.		-	-	-	682	682	682	1 405	1 448	1 491
South Coast Hospice	2.5: Other Comm. Serv.		174	179	185	190	190	190	196	202	208
Sparkes Estate	2.5: Other Comm. Serv.		1 099	1 132	1 166	1 201	1 201	1 201	1 237	1 274	1 312
St Luke's Home	2.5: Other Comm. Serv.		443	456	470	484	484	484	997	1 027	1 058
St. Mary's Hospital Marianhill	2.9: District Hospitals		150 961	124 756	132 421	136 454	69 221	69 221	-	-	-
Sunfield Home	2.5: Other Comm. Serv.		261	269	277	285	285	285	294	303	312
Tender Loving Care (NGO)	2.5: Other Comm. Serv.		-	-	-	234	234	234	241	248	256
The Bekimpelo Trust	2.2: Comm. Hlth Clinics		8 141	8 385	8 637	8 896	8 896	8 896	9 163	9 438	9 721
Umlazi Halfway House	2.5: Other Comm. Serv.		268	276	284	293	293	293	302	311	320
Msunduzi Hospice	2.5: Other Comm. Serv.		-	-	-	1 452	1 452	1 452	1 495	1 540	1 586
Earmarked for further negotiations	Various		-	-	-	10 619	10 619	9 391	-	-	-
Rounding in AFS	Various		-	-	(3)	-	-	-	-	-	-
Total			222 051	213 402	203 929	210 687	143 454	142 226	54 870	56 513	58 508

7.8 Transfers to local government

Table 7.13 shows transfers to local government, per category of municipality. All transfers are made to a single grant, namely municipal clinics in the sub-programme: Community Health Clinics.

It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and hence are excluded from the table.

Although these funds are earmarked for transfer to municipalities, the transfer is dependent upon the provision of satisfactory services in line with SLAs signed by municipalities. The purpose of the transfer is to subsidise primary health care for services provided by local authorities/municipal clinics. Until the negotiations for the take-over of these clinics has been finalised, these funds will remain in this category. Further details of amounts per grant type and municipality are given in *Annexure – Vote 7: Health*.

Table 7.13 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	105 000	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Category B	12 404	-	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793

The significant increase from 2015/16 to 2016/17 relates to the department's decision to provide additional funding to meet the health funding requirements of the clinics in the Metro including pressures in the treatment of HIV and AIDS, the extension of hours of services, as well as to cater for an increase in neonatal services. The increase in the 2017/18 Adjusted Appropriation relates to expenditure carried over from 2016/17 due to delays in the eThekweni municipal clinics' verification process.

The expenditure in Category B in 2014/15 relates to the provincialisation of municipal clinics. The bulk of the municipal clinics were taken over by the department by the end of 2012/13, and funding in 2014/15 provided for the uMhlathuze, uMngeni, Alfred Duma and eNdumeni Municipalities, whose clinics were provincialised by December 2014, hence no funding was provided from 2015/16 onward. Funding will continue to be provided over the 2018/19 MTEF for the eThekweni Metro only, as mentioned previously.

7.9 Transfers and subsidies

Table 7.14 gives a summary of spending on *Transfers and subsidies* by programme and main category. The various trends in each programme are explained before and after the table.

- In Programmes 1 to 5, the amounts reflected against *Departmental agencies and accounts* relate to TV licences.
- In all programmes (apart from Programme 6) the variable trend against *Households* relates largely to staff exit costs. In Programmes 2, 4 and 5, the variable trend is exacerbated by medico-legal claims, which are also erratic in nature. Some provision is made for these claims over the 2018/19 MTEF, but the provision is not adequate due to budget constraints and hence, there is negative growth in 2018/19, particularly against Programmes 2 and 4. The department cannot reprioritise further funds to medico-legal claims at this stage, due to other competing service delivery needs, and this will need to be reviewed in-year, with a possible favourable impact of the medico-legal team.
- From 2017/18, all motor vehicle licences are centralised within Programmes 1 and 3, and historical data has been restated. The once-off amounts in Programmes 2, 4 and 6 relate to once-off payments for public driving permits for drivers in those programmes.
- In Programme 2, the significant growth in *Provinces and municipalities* from 2014/15 to 2017/18 relates to the eThekweni Metro receiving additional funding to assist the municipal clinics in the treatment of HIV and AIDS. Growth over the MTEF caters for inflation only.
- In Programme 2, the reduction in 2015/16 was due to the NPI patients receiving ARV medication directly from the department. The reduction in the 2017/18 Adjusted Appropriation and Revised Estimate is due to the provincialisation of St. Mary's Hospital during the year, with the full effect of the reduction noted from 2018/19 onward. The growth is inflationary from 2019/20 onward.

Table 7.14 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
1. Administration	7 249	5 689	17 443	7 308	6 594	6 287	7 705	8 137	8 585
Provinces and municipalities	3 267	2 525	2 903	3 490	3 596	3 596	3 695	3 902	4 117
Motor vehicle licences	3 267	2 525	2 903	3 490	3 596	3 596	3 695	3 902	4 117
Departmental agencies and accounts	-	-	-	1	1	-	1	1	1
SABC - TV licences	-	-	-	1	1	-	1	1	1
Foreign government and international org.	66	-	-	-	-	-	-	-	-
Foreign government gift exchange	66	-	-	-	-	-	-	-	-
Households	3 916	3 164	14 540	3 817	2 997	2 691	4 009	4 234	4 467
Staff exit costs	3 862	2 464	2 737	3 317	2 997	2 638	4 009	4 234	4 467
Other transfers to households	54	700	11 803	500	-	53	-	-	-
2. District Health Services	411 766	363 631	458 294	457 659	475 617	579 002	455 387	487 529	556 518
Provinces and municipalities	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Motor vehicle licences	-	-	-	-	-	2	-	-	-
Municipal clinics	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Departmental agencies and accounts	10	48	107	43	67	107	45	47	49
SABC - TV licences	10	48	107	43	67	107	45	47	49
Non-profit institutions	190 405	165 147	171 372	175 844	108 611	114 758	49 701	51 034	52 865
Non-profit institutions	190 405	165 147	171 372	175 844	108 611	114 758	49 701	51 034	52 865
Households	103 947	68 836	132 065	88 772	162 655	244 478	192 247	211 052	265 811
Staff exit costs	73 065	67 262	58 149	63 772	64 511	45 737	67 247	71 052	74 959
Other transfers to households	30 882	1 574	73 916	25 000	98 144	198 741	125 000	140 000	190 852
3. Emergency Medical Services	4 684	3 465	3 779	5 057	4 703	3 885	5 311	5 609	5 918
Provinces and municipalities	1 947	1 205	2 001	2 500	2 624	2 624	2 645	2 793	2 947
Motor vehicle licences	1 947	1 205	2 001	2 500	2 624	2 624	2 645	2 793	2 947
Departmental agencies and accounts	2	2	2	2	-	-	2	2	2
SABC - TV licences	2	2	2	2	-	-	2	2	2
Households	2 735	2 258	1 776	2 555	2 079	1 261	2 664	2 814	2 969
Staff exit costs	2 098	1 733	1 358	1 597	1 597	1 072	1 683	1 778	1 876
Other transfers to households	637	525	418	958	482	189	981	1 036	1 093
4. Provincial Hospital Services	124 026	134 412	193 032	143 360	240 139	277 693	225 447	228 509	246 490
Provinces and municipalities	-	-	101	-	-	-	-	-	-
Motor vehicle licences	-	-	101	-	-	-	-	-	-
Departmental agencies and accounts	64	44	127	83	118	198	88	93	98
SABC - TV licences	64	44	127	83	118	198	88	93	98
Public corporations and private enterprises	-	10	-	-	-	-	-	-	-
Penalties	-	10	-	-	-	-	-	-	-
Non-profit institutions	31 646	28 255	32 557	34 843	34 843	27 468	5 169	5 479	5 643
Non-profit institutions	31 646	28 255	32 557	34 843	34 843	27 468	5 169	5 479	5 643
Households	92 316	106 103	160 247	108 434	205 178	250 027	220 190	222 937	240 749
Staff exit costs	46 755	37 468	31 891	29 434	37 427	31 642	31 190	32 937	34 749
Other transfers to households	45 561	68 635	128 356	79 000	167 751	218 385	189 000	190 000	206 000
5. Central Hospital Services	40 875	30 432	48 533	27 060	11 696	10 883	27 715	39 267	50 877
Departmental agencies and accounts	51	52	53	60	119	119	63	67	71
SABC - TV licences	51	52	53	60	119	119	63	67	71
Households	40 824	30 380	48 480	27 000	11 577	10 764	27 652	39 200	50 806
Staff exit costs	14 391	11 372	11 697	12 000	10 947	10 534	12 652	13 360	14 095
Other transfers to households	26 433	19 008	36 783	15 000	630	230	15 000	25 840	36 711
6. Health Sciences and Training	238 187	285 220	313 940	282 631	287 832	315 739	260 659	215 310	154 186
Provinces and municipalities	-	-	-	-	15	15	-	-	-
Motor vehicle licences	-	-	-	-	15	15	-	-	-
Departmental agencies and accounts	15 768	18 863	19 842	19 842	18 850	18 850	20 868	22 036	23 248
HWSETA	15 768	18 863	19 842	19 842	18 850	18 850	20 868	22 036	23 248
Higher education institutions	16	-	-	-	-	-	-	-	-
Donations and gifts	16	-	-	-	-	-	-	-	-
Households	222 403	266 357	294 098	262 789	268 967	296 874	239 791	193 274	130 938
Staff exit costs	2 324	3 632	2 135	2 100	3 092	3 929	2 234	2 358	2 488
Other transfers to households	220 079	262 725	291 963	260 689	265 875	292 945	237 557	190 916	128 450
7. Health Support Services	1 264	244	636	696	777	988	737	778	821
Households	1 264	244	636	696	777	988	737	778	821
Staff exit costs	1 264	244	636	696	777	988	737	778	821
8. Health Facilities Management	37	20 000	-	-	-	-	-	-	-
Non-profit institutions	-	20 000	-	-	-	-	-	-	-
KZN Childrens' Hospital Trust	-	20 000	-	-	-	-	-	-	-
Households	37	-	-	-	-	-	-	-	-
Staff exit costs	37	-	-	-	-	-	-	-	-
Total	828 088	843 093	1 035 657	923 771	1 027 358	1 194 477	982 961	985 139	1 023 395

- In Programme 4, the high spending against *Non-profit institutions* in 2014/15 was the result of additional funding allocated to Siloah Hospital in order to support the TB management programme. The decrease in 2015/16 was due to once-off funding in 2014/15 for St. Mary's Hospital allocated to avoid the hospital being sequestered. The decrease over the 2018/19 MTEF is due to the provincialisation of St. Mary's Hospital, with growth from 2018/19 catering for inflation only.
- In Programme 6, *Departmental agencies and accounts* shows strong growth from 2014/15 through to 2016/17, which is ascribed to the HWSETA levy, which is in line with the growth in *Compensation of employees* for the department as a whole. In 2017/18, the low growth is due to the many vacant posts in the department and the growth over the 2018/19 MTEF is inflationary only.
- Also in Programme 6, the significant increase in *Households* from 2014/15 to 2016/17 relates to the department's decision to implement intensive training programmes through bursaries to address the shortage of personnel in the health fields, including the Cuban Doctors' programme. The negative growth in 2017/18 is due to once-off payments made in 2016/17, being a carry-over from 2015/16. The budget over the 2018/19 MTEF reduces as students graduate and return to South Africa for their internship programme.
- In Programme 8, the department transferred funds in 2015/16 to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in the eThekweni Metro. There is no funding over the MTEF and the contract is finalised.

8. Programme description

The services rendered by this department are categorised under eight programmes, further details of which are discussed below. The department largely conforms to the uniform budget structure for the Health sector.

The information for each programme is given in terms of sub-programmes and economic classification, with details of economic classification given in *Annexure – Vote 7: Health*.

8.1 Programme 1: Administration

Programme 1's objectives are the provision of overall strategic leadership, co-ordination and management of activities toward the achievement of optimal health status of all communities in the province, as well as the administration of the department in line with good governance practice.

The programme also includes the formulation of policies and strategies in line with national and provincial priorities.

Tables 7.15 and 7.16 summarise information for the period 2014/15 to 2020/21.

It is the department's policy to keep the allocation of this programme to a maximum of two per cent of total budget, which has been achieved over the past four years and will be maintained over the 2018/19 MTEF.

Table 7.15 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	16 818	18 455	18 990	20 891	20 891	21 678	23 285	23 532	25 233
2. Management	685 107	828 167	826 684	870 280	876 524	860 936	787 922	789 155	842 967
Total	701 925	846 622	845 674	891 171	897 415	882 614	811 207	812 687	868 200
Unauth. Exp. (1st charge) not available for spending	-	(107 607)	(107 607)	(107 608)	(107 608)	(107 608)	-	-	-
Baseline available for spending after 1st charge	701 925	739 015	738 067	783 563	789 807	775 006	811 207	812 687	868 200

Table 7.16 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	678 837	722 304	683 440	771 212	771 446	720 997	764 167	774 916	829 084
Compensation of employees	292 983	326 812	365 803	402 196	383 149	387 367	419 446	450 325	486 351
Goods and services	385 799	395 388	316 817	369 016	388 271	333 480	344 721	324 591	342 733
Interest and rent on land	55	104	820	-	26	150	-	-	-
Transfers and subsidies to:	7 249	5 689	17 443	7 308	6 594	6 287	7 705	8 137	8 585
Provinces and municipalities	3 267	2 525	2 903	3 490	3 596	3 596	3 695	3 902	4 117
Departmental agencies and accounts	-	-	-	1	1	-	1	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	66	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 916	3 164	14 540	3 817	2 997	2 691	4 009	4 234	4 467
Payments for capital assets	15 827	11 021	257	5 043	11 651	47 606	39 335	29 634	30 531
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	15 827	11 021	257	5 043	11 651	47 606	39 335	29 634	30 531
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	107 608	144 534	107 608	107 724	107 724	-	-	-
Total	701 925	846 622	845 674	891 171	897 415	882 614	811 207	812 687	868 200
Unauth. Exp. (1st charge) not available for spending	-	(107 607)	(107 607)	(107 608)	(107 608)	(107 608)	-	-	-
Baseline available for spending after 1st charge	701 925	739 015	738 067	783 563	789 807	775 006	811 207	812 687	868 200

The purpose of the sub-programme: Office of the MEC is to render advisory, secretarial and office support services, as well as secretarial support, administrative, public relations/ communication and parliamentary support. Growth over the 2018/19 MTEF is for inflationary purposes only.

The sub-programme: Management is responsible for policy formulation, overall management and administrative support of the department and the respective regions and institutions in the department and includes human resources, finance, supply chain management, legal services, etc. The significant growth from 2015/16 relates to unauthorised expenditure in terms of the adoption of the resolutions of SCOPA by the Legislature on 9 December 2014. The first instalment of the first charge of R107.607 million was implemented in 2015/16. A final instalment of R107.608 million was implemented in 2017/18, hence the decline in 2018/19. Growth in the outer year of the MTEF is for inflationary purposes only.

The increase in *Compensation of employees* in 2015/16 and 2016/17 relates to the higher than anticipated uptake in the housing allowance (carry-through costs from the 2015 wage agreement) and pay progression. The reduction in the 2017/18 Adjusted Appropriation is as a result of vacant non OSD posts, which could not be filled due to no carry-through funding in the outer years. The 2018/19 MTEF growth provides for inflationary adjustments only which implies that no vacancies may be filled at this stage, unless the department undertakes further reprioritisation.

The growth in *Goods and services* in the 2017/18 Adjusted Appropriation was to provide for pressures against legal costs which were higher than expected, as well as the inflationary price adjustment for a food supplier, as identified for payment by the Treasury/Health intervention team. An additional once-off budget was allocated in terms of this intervention in 2018/19, hence the high the growth in 2018/19 and negative growth in 2019/20.

The expenditure against *Interest and rent on land* relates to interest paid on over-due accounts.

Transfers and subsidies to: Provinces and municipalities provides for motor vehicle licences for the entire department, excluding Programme 3.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

Transfers and subsidies to: Households is due to staff exit costs.

The reduction in *Machinery and equipment* in 2016/17 relates to funding originally allocated for equipment related to the development of a video conferencing facility intended to reduce travelling costs, which was delayed due to lengthy SCM processes. The increase in the 2017/18 Adjusted Appropriation is

to provide for the purchase of additional pool vehicles in order to reduce the use of private vehicles on official trips. The high 2017/18 Revised Estimate caters for addressing backlogs in computer equipment. Over the remainder of the 2018/19 MTEF, funding is provided to replace essential equipment only.

Payments for financial assets provides mainly for the first charge, as well as write-off of thefts and losses.

Service delivery measures: Administration

Table 7.17 illustrates the main service delivery measures relating to Programme 1. The performance indicators provided comply fully with the customised measures for the Health sector. Note that the department publishes additional non-sector measures for this programme in its annual APP.

Table 7.17 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
To conduct the strategic management and overall administration of the Department of Health	• Audit opinion from the Auditor-General	Unqualified	Unqualified	Unqualified	Unqualified
	• Percentage of hospitals with broadband access	56%	58.3%	61.1%	63.9%
	• Percentage of fixed PHC facilities with broadband access	23%	26.9%	29%	35.1%

8.2 Programme 2: District Health Services

The purpose of Programme 2: District Health Services is to render primary health care services and district hospital services. This programme comprises nine sub-programmes, which are used to facilitate identification of the different functions. The main aims of these sub-programmes are:

- To render primary health care services with a nurse-driven service at clinic level, including visiting points, mobile and local authority clinics.
- To provide service planning, administration of services, managing personnel and financial administration and the co-ordination and monitoring of district health services.
- To render primary health care services in respect of maternal child and women's health, geriatrics, occupational therapy, physiotherapy, psychiatry, speech therapy, communicable diseases, oral and dental health, mental health, rehabilitation and disability and chronic health.
- To render primary health care services at non-health facilities in respect of home-based care, abuse victims, mental and chronic care, school health.
- To render primary health care services related to the comprehensive management of HIV, AIDS and TB campaigns and special projects.
- To provide services directed at providing nutrition for the malnourished members of the population.
- To render forensic pathology services and medico-legal services.
- To render hospital services at general practitioner level.

Tables 7.18 and 7.19 summarise payments and estimates for Programme 2.

Table 7.18 : Summary of payments and estimates by sub-programme: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. District Management	230 547	249 161	291 190	317 643	287 364	280 085	304 880	330 183	355 200
2. Community Health Clinics	3 072 816	3 501 113	3 915 857	4 117 584	4 227 655	4 243 595	4 324 275	4 602 651	4 965 733
3. Community Health Centres	1 208 843	1 365 808	1 500 268	1 638 584	1 638 584	1 638 584	1 784 568	1 916 597	2 057 921
4. Community Based Services	123 164	160 420	215 486	314 738	471 653	425 989	419 637	422 903	451 241
5. Other Community Services	892 846	959 940	997 211	1 094 605	1 063 274	1 069 373	1 168 674	1 280 915	1 380 686
6. HIV and AIDS	3 257 870	3 813 719	4 499 037	4 852 495	4 852 495	5 031 793	5 677 225	6 114 218	6 701 673
7. Nutrition	43 763	43 820	44 940	52 920	52 920	52 920	51 569	59 739	63 023
8. Coroner Services	163 356	172 140	180 085	211 572	223 720	223 720	246 794	265 208	285 150
9. District Hospitals	5 341 148	5 741 775	6 079 897	6 393 205	6 623 535	6 693 096	6 848 092	7 437 429	7 985 823
Total	14 334 353	16 007 896	17 723 971	18 993 346	19 441 200	19 659 155	20 825 714	22 429 843	24 246 450

Table 7.19 : Summary of payments and estimates by economic classification: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	13 774 307	15 589 077	17 198 336	18 402 782	18 710 274	18 874 337	20 118 237	21 645 795	23 377 105
Compensation of employees	9 481 720	10 476 826	11 229 551	12 176 936	12 079 378	11 967 344	12 396 711	13 445 989	14 536 078
Goods and services	4 292 441	5 111 894	5 967 879	6 225 453	6 630 616	6 906 598	7 721 133	8 199 391	8 840 589
Interest and rent on land	146	357	906	393	280	395	393	415	438
Transfers and subsidies to:	411 766	363 631	458 294	457 659	475 617	579 002	455 387	487 529	556 518
Provinces and municipalities	117 404	129 600	154 750	193 000	204 284	219 659	213 394	225 396	237 793
Departmental agencies and accounts	10	48	107	43	67	107	45	47	49
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	190 405	165 147	171 372	175 844	108 611	114 758	49 701	51 034	52 865
Households	103 947	68 836	132 065	88 772	162 655	244 478	192 247	211 052	265 811
Payments for capital assets	148 259	55 159	67 311	132 905	255 309	205 798	252 090	296 519	312 827
Buildings and other fixed structures	210	-	-	-	2 800	2 800	-	-	-
Machinery and equipment	148 049	55 159	67 311	132 905	252 509	202 998	252 090	296 519	312 827
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	21	29	30	-	-	18	-	-	-
Total	14 334 353	16 007 896	17 723 971	18 993 346	19 441 200	19 659 155	20 825 714	22 429 843	24 246 450

The significant allocation supports the policy of providing access to the less expensive, but most important level of health care. The programme provides for the commissioning of new clinics and community health centres, comprehensive management of HIV and AIDS and related diseases, especially TB, etc.

The increases over the seven-year period relate to the higher than anticipated wage agreements and carry-through costs of the various OSDs for medical personnel and other categories of staff. Also contributing was additional funding provided for inflationary increases in medical supplies and services, improving infant and child mortality rates, as well as substantial increases in HIV and AIDS funding each year. Further amounts were allocated for national priorities from 2011/12, with carry-through over the 2018/19 MTEF, to provide for capacity building for personnel and *Goods and services*, funding for family health team pilots/models, improving hospital norms and standards, and a general policy adjustment.

The sub-programme: District Management provides for the planning and administration of health services, the management of personnel and financial administration, the co-ordination and management of Day Hospital Organisations and Community Health Services rendered by local authorities and NGOs within the eThekweni Metro, as well as the determining of working methods and procedures and exercising district control. The increase in 2016/17 was attributed to the roll-over of funding from 2015/16 against the NHI grant. Growth over the 2018/19 MTEF is inflationary only.

The Community Health Clinics sub-programme renders a nurse-driven primary health care service at clinic level including visiting points, mobile and local authority clinics. The strong growth in 2015/16 and 2016/17 relates to the previously mentioned higher than anticipated wage agreements and carry-through costs of the various OSDs for medical personnel and other categories of staff. Also, additional funding was allocated in 2016/17 to address pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. The increase in the 2017/18 Adjusted Appropriation is attributable to the pressures from the NHLS fee-for-service payment method. Growth over the 2018/19 MTEF is inflationary only. The lower growth in 2018/19 is because of a reduction in the medicine expenditure due to the acceleration in the enrolment of stable patients on chronic medication into the Central Chronic Medicine Dispensing and Distribution (CCMDD) programme.

The Community Health Centres sub-programme provides primary health services with full-time medical officers in respect of mother and child, health promotion, geriatrics, occupational therapy, physiotherapy, and psychiatry. The high growth from 2014/15 to 2017/18 is due to the NHLS fee-for-service payment method and the progressive commissioning of the Dannhauser and Jozini Community Health Centres. Growth over the 2018/19 MTEF provides for inflationary adjustments only.

The sub-programme: Community Based Services renders a community-based health service at non-health facilities in respect of home-based care, abuse victims, mental and chronic care, school health, etc. The significant increases in 2015/16 and 2016/17 relate to the chronic medication pilot project that was added to this sub-programme, whereby patients on chronic medication collected their medication at designated community drop-off points. Expenditure for such medicine is thus reflected under this sub-programme going forward. There was acceleration in the enrolment of patients under this programme and the correct linking of PHC outreach teams and School Health Services teams to this sub-programme in line with the nature of services provided by these teams, which also contributes to the increase in 2016/17, as well as the 2017/18 Adjusted Appropriation. There is negative growth in 2018/19 due to the decrease in funding for the Social Sector EPWP Integrated Grant for Provinces, with the grant decreasing from R47.058 million in 2017/18 to R24.182 million in 2018/19. The growth over the remainder of the 2018/19 MTEF provides for inflationary increases only.

The sub-programme: Other Community Services renders environmental, port health and part-time district surgeon services, etc. The increase in 2018/19 is largely attributed to the new HPV grant (R44.976 million) allocated for the provision of the HPV vaccine which was previously funded by NDOH as an indirect grant to provinces. Provision is made for the increased intake of community services doctors in the outer years of the MTEF to place the returning doctors from the Cuban Doctors' programme.

The HIV and AIDS sub-programme provides a PHC service in respect of HIV and AIDS campaigns and special projects, and growth rates are mainly due to increases in the Comprehensive HIV, AIDS and TB grant to cater for increased uptake of patients on ARV therapy. The strong growth over the entire period aligns with the growth in the Comprehensive HIV, AIDS and TB grant to fund the increase in patient numbers and the targets over the period. The increase in the 2017/18 Revised Estimate is due to pressures brought about by the implementation of the UTT programme, as well as the withdrawal of the supply of donor medicines. The increase in the 2018/19 MTEF baseline is for the continued expansion of the ARV programme (in 2019/20), HIV prevention and to cater for TB screening and treatment in line with the grant's extended TB focus.

The sub-programme: Nutrition provides nutrition services aimed at specific target groups such as malnourished children, and combines nutrition specific and nutrition sensitive interventions to address malnutrition. The minimal growth in 2015/16 and 2016/17 was due to enforced savings reprioritised to other pressures, in an effort to remain within budget. The increase in 2017/18 and growth in the outer years of the 2018/19 MTEF is attributed to the need to address the backlogs created by the enforced savings, due to the population's vulnerability to malnutrition, taking into account the recent drought and increasing food prices.

The sub-programme: Coroner Services provides forensic and medico-legal services to establish the circumstances and causes of unnatural death. Funding is provided in 2017/18 and over the MTEF for the replacement of two specialist posts resulting from the high attrition rate experienced in the previous financial years, as well the implementation of the new PSCBC agreement on overtime and allowances for the Forensic Pathology Services staff.

The sub-programme: District Hospitals provides hospital services at general practitioner level. The slow growth in 2016/17 was due to accruals of NHLS expenditure to 2017/18 due to cash blocking. The projected over-spending in the 2017/18 Revised Estimate is due to higher than budgeted medico-legal claims and NHLS fee-for-service payments, as well as accruals from 2016/17. This sub-programme shows steady growth over the 2018/19 MTEF in order to sustain the current services.

The high growth in *Compensation of employees* in 2015/16 was due to the higher than anticipated wage agreements and carry-through costs of the various OSDs for medical personnel and other categories of staff. The reduction in the 2017/18 Adjusted Appropriation and Revised Estimate was mainly within the Comprehensive HIV, AIDS and TB grant due to the slow pace in the filling of posts under the grant and cost containment within district management. Growth in 2018/19 is low and is insufficient to address an inflationary increase for existing staff. The department will address this in-year through reprioritisation. Growth over the two outer years makes provision for inflation only, implying that no additional posts can be filled at this stage.

The high growth in *Goods and services* from 2015/16 to 2017/18 is attributable to the change in the NHLS payment method from flat-fee to fee-for-service payment method, implementation of the UTT method, as well as the effect of the deterioration of the Rand/Dollar exchange rate on imported medicines and medical supplies. The slow growth in 2018/19 is due to the anticipated savings from the NHLS electronic gate-keeping whereby the ordering of laboratory tests will be closely monitored. The growth in 2019/20 is attributed to the provision for continued expansion of ARV coverage in response to the UTT programme.

The growth in *Transfers and subsidies to: Provinces and municipalities* over the entire period is an effort to strengthen PHC services provided by eThekweni municipal clinics, especially the strengthening of the comprehensive HIV, AIDS and TB programme at clinic level.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

Transfers and subsidies to: Non-profit institutions provides subsidies to entities that render PHC services. The reduction in 2015/16 was due to the NPI patients receiving ARV medication directly from the department. The decline in the 2017/18 Adjusted Appropriation and the negative growth in 2018/19 is attributable to the provincialisation of St Mary's Hospital to be a departmental facility. The outer years of the 2018/19 MTEF provide for inflationary increases only.

Transfers and subsidies to: Households relates to staff exit costs and medico-legal claims. The negative growth in 2018/19 is attributed to the department not being in a position to reprioritise additional funding to these costs due to other competing service delivery needs. The 2018/19 MTEF allocations provide for staff exit costs, and a reduced amount for medico-legal claims, due to pressures elsewhere in the budget, as well as anticipation that the medico-legal team will identify strategies that will reduce costs.

The increase against *Machinery and equipment* in 2016/17 was a result of the decision to defer the procurement process of some machinery and equipment from 2015/16 to 2016/17 in order to reduce the over-spending in 2015/16. The significant growth in 2017/18 and over the 2018/19 MTEF is based on the decision to decentralise the HTS related medical equipment budget to facilities. The amounts also provide for the replacement of essential non-medical equipment to meet health and safety requirements, such as medical and patient trolleys, hospital beds, etc.

Service delivery measures: District Health Services

Table 7.20 illustrates the main service delivery measures of Programme 2. Note that the table fully aligns to the sector measures and the draft APP for 2018/19. Note also that the department publishes additional non-sector measures for this programme in its annual APP.

Table 7.20 : Service delivery measures: District Health Services

Table 1.20 : Service delivery measures – District health services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. District Health Services					
To provide facilities for patients to be treated at PHC level	• Ideal clinic status rate	83.2%	87%	100%	100%
	• PHC utilisation rate (annualised)	2.6	2.6	2.5	2.5
	• Complaint resolution within 25 working days rate (PHC)	95.5%	96%	96%	96.5%
2. District Hospitals					
Rendering hospital service at general practitioner level	• Hospital achieved 75% and more on National Core Standards self-assessment rate (District Hospitals)	90%	39%	60%	65.8%
	• Average length of stay – total	5.7 days	5.6 days	5.5 days	5.5 days
	• Inpatient bed utilisation rate – total	59.4%	60.2%	64.7%	65.3%
	• Expenditure per patient day equivalent	R2 501	R2 452	R2 781	R3 125
	• Complaint resolution within 25 working days rate	89.3%	94%	95%	96%
3. HIV and AIDS, TB and STI control					
Rendering primary health care service in respect of HIV and AIDS, TB and STI control	• ART client remain on ART end of month – total	1 259 612	1 313 804	1 444 558	1 578 737
	• TB / HIV co-infected clients on ART rate	89.1%	95%	95%	95%
	• HIV test done – total	3 100 696	2 982 771	3 134 424	3 134 424
	• Male condoms distributed	94 153 676	199 500 000	206 757 450	220 917 212

Table 7.20 : Service delivery measures: District Health Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
	<ul style="list-style-type: none"> Medical male circumcision – total TB client 5 years and older start on treatment rate TB client treatment success rate TB client lost to follow up rate TB client death rate TB MDR treatment success rate 	182 224 996 936 cum 106.9% 83% 5 % 4.2% 58%	140 038 1 106 974 cum 90% 87.6% 5% 5% 60%	156 016 1 262 990 cum 92% 90% 5% 5% 62%	164 506 1 427 496 cum 94% 92% 5% 5% 65%	
4. Maternal, child and women's health						
Rendering a comprehensive and integrated maternal, child and women health at primary health care level	<ul style="list-style-type: none"> Antenatal 1st visit before 20 weeks rate Mother postnatal visit within 6 days rate Antenatal client start on ART rate Infant 1st PCR test positive around 10 weeks rate Immunisation under 1 year coverage (annualised) Measles 2nd dose coverage (annualised) Diarrhoea case fatality under 5 years rate Pneumonia case fatality under 5 years rate Severe acute malnutrition case fatality under 5 years rate School Grade 1 learners screened School Grade 8 learners screened Delivery in 10 to 19 years in facility rate Couple year protection rate (international) Cervical cancer screening coverage 30 years and older HPV 1st dose HPV 2nd dose Vitamin A 12-59 months coverage Maternal mortality in facility ratio (annualised) Neonatal death in facility rate 	70.2% 74.4% 97% 0.8% 75.9% 79% 2.1% 1.9% 3.6% 61 446 38 312 23.3% 34.6% 79% 74 254 73 541 59.2% 109.3/100 000 11.8/1 000	71% 75% 97% 0.8% 80% 80% 2% 2.6% 6.5% 85 525 55 506 22% 35% 82% 84 150 84 150 60% 100/100 000 11.5/1 000	72% 77% 97% 0.8% 82% 81% 1.8% 2.4% 6% 86 000 55 000 21% 36% 84% 85 150 85 150 63% 95/100 000 11.3/1 000	73% 79% 97% 0.8% 85% 82% 1.6% 2.2% 5.5% 87 400 55 500 20% 37% 85% 86 150 86 150 65% 90/100 000 11.3/1 000	
5. Disease prevention and control						
Rendering preventive and promotive health services	<ul style="list-style-type: none"> Cataract surgery rate Malaria case fatality rate 	956.4/ 1 mil 1.5%	944.5/ 1 mil 0.6%	953/ 1 mil 0.4%	960.4/ 1 mil 0.3%	

8.3 Programme 3: Emergency Medical Services

The purpose of Programme 3: Emergency Medical Services is to render pre-hospital emergency medical services, including inter-hospital transfers and planned patient transport.

Poverty and topography are major cost drivers for both the Emergency Transport and Planned Patient Transport sub-programmes.

Tables 7.21 and 7.22 summarise payments and budgeted estimates pertaining to Programme 3.

Table 7.21 : Summary of payments and estimates by sub-programme: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Emergency Services	1 026 983	1 106 737	1 114 738	1 195 647	1 242 392	1 275 170	1 299 438	1 410 574	1 513 694
2. Planned Patient Transport	41 130	67 669	94 525	82 203	116 122	127 947	116 248	110 584	118 310
Total	1 068 113	1 174 406	1 209 263	1 277 850	1 358 514	1 403 117	1 415 686	1 521 158	1 632 004

Table 7.22 : Summary of payments and estimates by economic classification: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 061 869	1 133 984	1 189 528	1 220 793	1 301 802	1 347 223	1 329 375	1 419 356	1 524 602
Compensation of employees	768 178	822 311	866 530	899 259	942 036	966 812	962 392	1 087 276	1 174 258
Goods and services	293 675	311 638	322 937	321 534	359 747	380 406	366 983	332 080	350 344
Interest and rent on land	16	35	61	-	19	5	-	-	-
Transfers and subsidies to:	4 684	3 465	3 779	5 057	4 703	3 885	5 311	5 609	5 918
Provinces and municipalities	1 947	1 205	2 001	2 500	2 624	2 624	2 645	2 793	2 947
Departmental agencies and accounts	2	2	2	2	-	-	2	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 735	2 258	1 776	2 555	2 079	1 261	2 664	2 814	2 969
Payments for capital assets	1 189	36 957	15 956	52 000	52 009	52 009	81 000	96 193	101 484
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 189	36 957	15 956	52 000	52 009	52 009	81 000	96 193	101 484
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	371	-	-	-	-	-	-	-	-
Total	1 068 113	1 174 406	1 209 263	1 277 850	1 358 514	1 403 117	1 415 686	1 521 158	1 632 004

The sub-programme: Emergency Services provides for all emergency medical services including ambulance services, special operations, communication and air ambulance services. The increase in the 2017/18 Adjusted Appropriation was to address overtime costs and higher than expected fuel and vehicle maintenance costs. The projected over-spending in the 2017/18 Revised Estimate relates to overtime payments to paramedic staff being higher than anticipated and accounts for the low growth in 2018/19. The over-time payment system is under review and costs are expected to be lower going forward. The growth over the remainder of the 2018/19 MTEF is inflationary only.

The Planned Patient Transport sub-programme provides planned patient transport, including Local Outpatient Transport (within the boundaries of a given town or local area) and Inter-City/Town Outpatient Transport (into referral centres). The increase in the 2017/18 Adjusted Appropriation was to address overtime costs and higher than expected fuel and vehicle maintenance costs. The negative growth in 2018/19 is attributed to targeted savings to be realised from stringent maintenance and repairs control measures to be implemented. The department has appointed assessors who will carry out the necessary assessment and verification for repairs before any commitment is made. All vehicle repairs will be centralised and approved by the CFO. This central control seeks to reduce expenditure relating to fuel consumption, usage of tyres, maintenance of vehicles, as well as to conduct fleet inspections, especially related to mileage and vehicle utilisation. The growth over the remaining two years of the MTEF is for inflationary purposes only.

The increase in the 2017/18 Adjusted Appropriation and projected over-spending in *Compensation of employees* in the 2017/18 Revised Estimate relates to overtime payments to paramedic staff. There is no growth in 2018/19 due to the increased overtime costs in 2017/18 and the reprioritisation of funds to maintenance and repairs of vehicles and uniform accruals. The department has provided sufficient funding for current staff only going forward.

The main cost drivers under *Goods and services* are fuel and repairs to emergency vehicles, the latter being related to the rough terrain in rural areas. The increase in the 2017/18 Adjusted Appropriation and Revised Estimate was due to pressures resulting from higher than expected vehicle repair costs. The negative growth in 2018/19 and 2019/20, with inflationary growth in the outer year, is attributed to targeted savings to be realised from the recapitalisation of ambulance fleet, as well as the stringent maintenance and repair control measures to be implemented.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences and is driven by the size of the fleet of emergency medical service vehicles in each year, with ambulances being procured and the old fleet being disposed of, and registration and licensing costs thereof thus vary accordingly.

Transfers and subsidies to: Households relates to staff exit costs.

Regarding *Machinery and equipment*, the negative growth in 2016/17 was part of the departmental cost-containment plan to remain within budget, with the procurement of Emergency Medical Services vehicles put on hold in 2016/17, hence the significant increase in 2017/18. The drive to replace redundant ambulances will continue over the 2018/19 MTEF, hence the steady growth.

The expenditure against *Payments for financial assets* relates to the write-off of various losses.

Service delivery measures: Emergency Medical Services

Table 7.23 illustrates the main service delivery measures pertaining to Programme 3. The performance indicators provided comply fully with the customised measures for the Health sector. Note that the department publishes additional non-sector measures for this programme in its annual APP.

Table 7.23 : Service delivery measures: Emergency Medical Services

Table 120: Service delivery measures: Emergency medical services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Emergency Medical Services					
Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services	• EMS P1 urban response under 15 minutes rate	21.6%	23%	25%	27%
	• EMS P1 rural response under 40 minutes rate	36%	38%	40%	44%
	• EMS inter-facility transfer rate	38.5%	46%	50%	53%

8.4 Programme 4: Provincial Hospital Services

The purpose of this programme is the delivery of hospital services which are accessible, appropriate and effective and the provision of general specialist services including a specialised rehabilitation service, and a platform for training health professionals and research.

Programme 4 comprises five sub-programmes, with the following main objectives:

- To render regional hospital services at a general specialist level and a platform for training of health workers and research.
- To render hospital services for TB, including multi-drug resistant TB.
- To render specialist psychiatric hospital services for people with mental illness and intellectual disability and providing a platform for training of health workers and research.
- To provide medium to long-term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home.
- To render an affordable and comprehensive oral health service, based on primary health care.

Tables 7.24 and 7.25 summarise payments and estimates relating to Programme 4.

Table 7.24 : Summary of payments and estimates by sub-programme: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. General (Regional) Hospitals	6 727 470	7 311 976	7 822 649	8 468 660	8 526 093	8 657 907	9 028 560	9 480 008	10 199 494
2. Tuberculosis Hospitals	673 267	734 142	776 902	812 781	807 317	796 063	832 736	893 855	958 483
3. Psychiatric-Mental Hospitals	753 333	788 178	825 338	891 958	875 232	868 808	929 156	998 539	1 079 095
4. Sub-acute, Step-down and Chronic Medical Hospitals	301 940	361 110	378 575	417 707	392 857	386 541	418 476	449 941	483 751
5. Dental Training Hospital	17 415	18 958	19 451	21 257	21 257	19 641	23 490	24 749	26 687
Total	8 473 425	9 214 364	9 822 915	10 612 363	10 622 756	10 728 960	11 232 418	11 847 092	12 747 510

Table 7.25 : Summary of payments and estimates by economic classification: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	8 316 935	9 047 148	9 621 228	10 433 135	10 266 749	10 360 621	10 889 835	11 476 311	12 350 923
Compensation of employees	6 505 622	6 989 676	7 442 082	7 997 996	7 838 241	7 763 049	8 417 039	8 920 704	9 654 757
Goods and services	1 811 170	2 056 552	2 178 854	2 435 135	2 426 701	2 595 225	2 472 792	2 555 603	2 696 162
Interest and rent on land	143	920	292	4	1 807	2 347	4	4	4
Transfers and subsidies to:	124 026	134 412	193 032	143 360	240 139	277 693	225 447	228 509	246 490
Provinces and municipalities	-	-	101	-	-	-	-	-	-
Departmental agencies and accounts	64	44	127	83	118	198	88	93	98
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	10	-	-	-	-	-	-	-
Non-profit institutions	31 646	28 255	32 557	34 843	34 843	27 468	5 169	5 479	5 643
Households	92 316	106 103	160 247	108 434	205 178	250 027	220 190	222 937	240 749
Payments for capital assets	32 459	30 385	8 655	35 868	115 868	90 646	117 136	142 272	150 097
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	32 459	30 385	8 655	35 868	115 868	90 646	117 136	142 272	150 097
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	5	2 419	-	-	-	-	-	-	-
Total	8 473 425	9 214 364	9 822 915	10 612 363	10 622 756	10 728 960	11 232 418	11 847 092	12 747 510

The growth in Programme 4 over the seven-year period relates to the various wage agreements, the OSD for medical personnel, high inflation rates on medical supplies and services, as well as NHLS costs. Further contributing factors include the carry-through costs of the MDR/XDR TB facilities opened in the Greytown, Murchison and Thulasizwe Hospitals.

The General (Regional) Hospitals sub-programme provides hospital services at a general specialist level and a platform for training of health workers and research. The increase in the 2017/18 Adjusted Appropriation and Revised Estimate was mainly related to NHLS accruals from 2016/17, medico-legal claims, the once-off settlement of the JHE payment, as well as the decentralisation of HTS related medical equipment budget from Programme 8 to facility level. The low growth in 2018/19 is due to the once-off nature of payments settled in 2017/18, reduced NHLS budget in line with the anticipated savings from the previously mentioned electronic gate-keeping, as well as the reduced medicine budget as more patients on chronic medication are to be enrolled under the CCMDD programme. The growth in the outer years is inflationary only.

The Tuberculosis Hospitals sub-programme provides for specialised care of patients with TB, including MDR and XDR TB. The slow growth in 2016/17 was mainly due to the decommissioning of the state aided FOSA (SANTA) Hospital in Durban in 2015/16, due to it not being financially viable. Growth over the 2018/19 MTEF is for inflationary purposes only.

The sub-programme: Psychiatric-Mental Hospitals renders a specialist psychiatric hospital service for people with mental illnesses and intellectual disability. The low growth in 2016/17 was mainly due to NHLS and medicine payments deferred to 2017/18, in an effort to remain within the budget. The 2018/19 MTEF growth is for inflationary purposes only.

The sub-programme: Sub-acute, Step-down and Chronic Medical Hospitals provides medium to long term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home. These patients are often unable to access ambulatory care at departmental services or their socio-economic or family circumstances do not allow for them to be cared for at home. The slow growth in 2016/17 was mainly due to NHLS and medicine payments being deferred to 2017/18, in an effort to remain within the budget. The 2018/19 MTEF allocations make provision for the operational costs of McCord Hospital to function as a specialised eye-care hospital. There is no provision for the phased commissioning of the KZN Children's Hospital due to budget constraints, and this project's timeline will be extended as a result.

The Dental Training Hospital sub-programme provides specialised dental services and shows steady growth over the entire period, with inflationary growth over the 2018/19 MTEF.

There is steady growth in *Compensation of employees* over the entire period. The decrease in the 2017/18 Adjusted Appropriation and Revised Estimate is largely due to the inability to fill non-OSD posts because of slow recruitment processes, and the inability to attract applications for OSD posts such as oncologists, psychologists, urologists, etc. The growth over the 2018/19 MTEF is inflationary only, implying that no additional staff are affordable at this stage, unless the department undertakes in-year reprioritisation. Growth in 2019/20 is insufficient and this will be addressed in the next budget process.

The low growth in *Goods and services* in 2016/17 was due to the NHLS payments for March 2017 being deferred to April 2017, hence the higher growth in 2017/18. The negative growth in 2018/19 is as a result of the anticipated savings from the implementation of NHLS electronic gate-keeping. The growth over the remainder of the 2018/19 MTEF is inflationary only and includes items such as medicines, medical supplies and property payments (water, electricity, cleaning and security).

Transfers and subsidies to: Departmental agencies and accounts relates to the payment of TV licences.

Transfers and subsidies to: Non-profit institutions shows a reduced baseline from 2018/19 due to the planned provincialisation of the Siloah TB Hospital in 2018/19. Thereafter there is inflationary growth over the remainder of the 2018/19 MTEF. This funding supports NGOs providing various services, including mental health care, disability care and TB.

Transfers and subsidies to: Households relates to medico-legal claims and staff exit costs. Additional funds were reprioritised towards medico-legal claims over the 2018/19 MTEF. The department is unable to reprioritise sufficient funds to cover these costs at this stage, though, because of competing service delivery needs, hence the drop in 2018/19 and only inflationary growth thereafter. This will be reviewed in-year as medico-legal costs arise and depending on the success of the strategies of the medico-legal unit.

The increase against *Machinery and equipment* in the 2017/18 Adjusted Appropriation, with carry-through over the 2018/19 MTEF, relates mainly to the procurement of essential non-medical equipment, as well as the decentralised procurement of HTS related medical equipment from 2017/18. In 2016/17, the procurement process for replacement motor vehicles was deferred to 2017/18, also contributing to the high growth in 2017/18. Funding is provided over the 2018/19 MTEF for the replacement of redundant essential non-medical equipment such as medical and patient trolleys, hospital beds, etc., as well as the previously mentioned HTS related medical equipment, and increases are matched to identified cyclical replacement needs.

Service delivery measures: Provincial Hospital Services

Table 7.26 illustrates the main service delivery measures pertaining to Programme 4. Note that there are some changes to the measures and these comply fully with the customised measures of the Health sector. Note also that the department publishes additional non-sector measures in its APP.

Table 7.26 : Service delivery measures: Provincial Hospital Services

Table 7.20: Service delivery measures: Provincial hospital services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. General (Regional) Hospitals					
Rendering of hospital services at a general specialist level and a platform for training of health workers and research	• Hospital achieved 75% and more on National Core Standards self-assessment rate	100%	46.2%	61.5%	69.2%
	• Average length of stay – total	5.7 days	5.6 days	5.4 days	5.4 days
	• Inpatient bed utilisation rate – total	72.8%	75.2%	77.4%	77.4%
	• Expenditure per PDE	R3 112	R3 377	R3 553	R3 553
	• Complaints resolution within 25 working days rate	90%	95%	95%	95%
2. Specialised TB Hospitals					
Rendering of hospital services at a specialist TB level	• Hospital achieved 75% and more on National Core Standards self-assessment rate	50%	40%	60%	70%
	• Inpatient bed utilisation rate – total	53.8%	56.2%	56%	57.3%
	• Expenditure per PDE	R2 184	R2 932	R3 129	R3 256
	• Complaints resolution within 25 working days rate	95%	96.5%	96.6%	97.7%

Table 7.26 : Service delivery measures: Provincial Hospital Services

Table 7.20 : Service delivery measures - Provincial Hospital Services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
3. Specialised Psychiatric Hospitals					
Rendering of hospital services at a specialist psychiatric level	• Hospital achieved 75% and more on National Core Standards self-assessment rate	17%	33%	60%	66.7%
	• Inpatient bed utilisation rate – total	71.8%	72.1%	75.4%	75.4%
	• Expenditure per PDE	R1 297	R1 311	R1 326	R1 382
	• Complaints resolution within 25 working days rate	87.9%	90.6%	95.5%	95.5%
4. Chronic/ Sub-Acute Hospitals					
Rendering of hospital services at a specialist chronic/sub-acute level	• Hospital achieved 75% and more on National Core Standards self-assessment rate	50%	100%	100%	100%
	• Inpatient bed utilisation rate – total	54.8%	65.6%	74.5%	75%
	• Expenditure per PDE	R2 711	R2 727	R2 735	R2 748
	• Complaints resolution within 25 working days rate	100%	100%	100%	100%
5. Oral and Dental Training Centre					
Rendering of hospital services at a specialist dental level	• No. of dentures issued per annum	250	250	300	350
	• No. of Oral Hygienists and Dental Therapists trained per annum	40	40	40	40

8.5 Programme 5: Central Hospital Services

The main purpose of Programme 5: Central Hospital Services is to provide tertiary health services and to create a platform for the training of health workers. Tables 7.27 and 7.28 summarise payments and budgeted estimates relating to the two sub-programmes that fall under this programme.

Table 7.27 : Summary of payments and estimates by sub-programme: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Central Hospital Services	1 914 646	2 087 907	2 259 604	2 241 188	2 263 188	2 335 727	2 402 978	2 555 712	2 787 360
2. Provincial Tertiary Hospital Services	1 903 154	2 037 022	2 274 553	2 340 390	2 418 390	2 420 201	2 553 015	2 658 186	2 926 961
Total	3 817 800	4 124 929	4 534 157	4 581 578	4 681 578	4 755 928	4 955 993	5 213 898	5 714 321

Table 7.28 : Summary of payments and estimates by economic classification: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	3 774 252	4 092 468	4 472 417	4 547 518	4 570 316	4 661 622	4 805 919	5 116 860	5 597 039
Compensation of employees	2 135 330	2 331 335	2 492 410	2 689 663	2 666 039	2 648 995	2 843 834	3 086 384	3 410 817
Goods and services	1 638 596	1 761 005	1 979 967	1 857 855	1 904 277	2 012 626	1 962 085	2 030 476	2 186 222
Interest and rent on land	326	128	40	-	-	1	-	-	-
Transfers and subsidies to:	40 875	30 432	48 533	27 060	11 696	10 883	27 715	39 267	50 877
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	51	52	53	60	119	119	63	67	71
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	40 824	30 380	48 480	27 000	11 577	10 764	27 652	39 200	50 806
Payments for capital assets	2 673	2 029	13 207	7 000	99 566	83 423	122 359	57 771	66 405
Buildings and other fixed structures	-	-	2 000	-	-	-	-	-	-
Machinery and equipment	2 673	2 029	11 207	7 000	99 566	83 423	122 359	57 771	66 405
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 817 800	4 124 929	4 534 157	4 581 578	4 681 578	4 755 928	4 955 993	5 213 898	5 714 321

The Central Hospital Services sub-programme provides for highly specialised medical health tertiary and quaternary services on a national basis, and includes the IALCH. The growth in 2015/16 was due to the filling of critical vacant posts, mainly medical specialists who were guaranteed placement on completion

of their studies. Also contributing to the growth were outstanding commitments from 2014/15 and NHLS fee-for-service pressures. The increase in 2016/17 was related to pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. The negative growth in 2017/18 and low growth in 2018/19 is due to the inability to fill non-OSD posts due to insufficient carry-through funding in the outer years, and difficulties in attracting applications for OSD posts, such as oncologists, neurosurgeons, etc., at prioritised facilities, anticipated savings from the new PPP contract, as well as savings from the optimisation of medical supplies stock levels. Growth in the outer two years is inflationary only.

The sub-programme: Provincial Tertiary Hospital Services provides tertiary health services and creates a platform for the training of specialist health professionals. The high growth in 2016/17 was due to pressures on imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate. Also contributing was the accrual of some medical supply payments to 2016/17, as well as higher than budgeted medico-legal claims. The growth over the 2018/19 MTEF is inflationary only.

The increase in *Compensation of employees* in 2015/16 was due to critical specialist posts that were filled. The reduction in the 2017/18 Adjusted Appropriation is due to the previously mentioned inability to fill non-OSD posts because insufficient carry-through funding in the outer years, and difficulties in attracting applications for OSD posts, such as oncologists, neurosurgeons, etc., at prioritised facilities. The increase in 2018/19 is not at the required inflationary level, implying that no filling of vacant posts can occur, unless in-year reprioritisation takes place. Growth in 2020/21 is sufficient to cater for limited filling of vacant posts.

The increase in *Goods and services* in 2016/17 was to address pressures relating to imported medicines and medical supplies resulting from the deterioration of the Rand/Dollar exchange rate, as well as the effects of the NHLS fee-for-service payment method. The negative growth in the 2017/18 Main Appropriation is due to the previously mentioned reduced costs of the PPP contract and the optimisation of stock levels. The increase in the 2017/18 Adjusted Appropriation is largely related to additional funding for the Treasury/Health assistance plan, with a small carry-over budget, hence the reduction in 2018/19. The growth over the remainder of the 2018/19 MTEF caters for inflationary increases only.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

Transfers and subsidies to: Households relates to medico-legal claims, as well as staff exit costs. The high growth in 2016/17 was due to excessive costs of medico-legal litigation. Additional funds were reprioritised towards medico-legal claims, hence the higher growth in the outer years of the MTEF.

The increase in 2017/18 against *Machinery and equipment* relates to the planned replacement of redundant essential non-medical equipment such as medical and patient trolleys, hospital beds, etc., as well as the clearing of the backlog due to the previously mentioned shortage of funds. As previously mentioned, the procurement of HTS related medical equipment was decentralised to facilities hence the high growth in 2017/18. The baseline remains at the higher level, with inflationary growth thereafter.

Service delivery measures: Central Hospital Services

Table 7.29 illustrates service delivery measures pertaining to Programme 5. Note that the department publishes additional non-sector measures for this programme in its annual APP.

Table 7.29 : Service delivery measures: Central Hospital Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Tertiary Hospitals					
To provide tertiary health services and create a platform for the training of health workers	• Hospital achieved 75% and more on National Core Standards self-assessment rate	-	66%	100%	100%
	• Average length of stay – total	9.3 days	9.4 days	9.4 days	9.4 days
	• Inpatient bed utilisation rate – total	70%	75%	76.5%	76.5%
	• Expenditure per PDE	R3 697	R4 029	R4 125	R4 503
	• Complaints resolution within 25 working days rate	96.2%	97%	97.5%	98%

Table 7.29 : Service delivery measures: Central Hospital Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
2. Central Hospitals					
Rendering of a highly specialised medical health and quaternary service on a national basis and a platform for the training of health workers and research	• Hospital achieved 75% and more on National Core Standards self-assessment rate	-	100%	100%	100%
	• Average length of stay – total	8.7 days	8.8 days	8.8 days	8.8 days
	• Inpatient bed utilisation rate – total	66.8%	66.8%	71%	71.9%
	• Expenditure per PDE	R8 370	R8 373	R8 380	R8 386
	• Complaints resolution within 25 working days rate	92.9%	95.9%	97.5%	99.2%

8.6 Programme 6: Health Sciences and Training

The purpose of this programme is to render training and development opportunities for actual and potential employees of the department. The five sub-programmes have the following main aims:

- To provide for training of nurses at under-graduate and post-basic level.
- To provide training of rescue and ambulance personnel.
- To provide PHC related training for personnel.
- To provide skills development interventions for all occupational categories in the department.
- To provide bursaries for health science training at undergraduate and post-graduate levels.

Tables 7.30 and 7.31 summarise information relating to Programme 6 for the period 2014/15 to 2020/21.

Table 7.30 : Summary of payments and estimates by sub-programme: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Nursing Training Colleges	276 189	277 502	275 229	300 650	278 443	270 097	293 908	311 721	333 156
2. EMS Training Colleges	5 039	5 298	16 542	18 304	17 297	17 296	19 127	20 319	21 665
3. Bursaries	243 405	280 604	322 878	293 912	291 109	319 488	265 492	220 248	159 250
4. Primary Health Care Training	41 957	41 069	39 135	46 481	50 985	53 225	59 100	61 837	65 862
5. Training Other	452 359	454 321	547 290	582 336	603 849	603 080	626 723	667 760	732 816
Total	1 018 949	1 058 794	1 201 074	1 241 683	1 241 683	1 263 186	1 264 350	1 281 885	1 312 749

Table 7.31 : Summary of payments and estimates by economic classification: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	778 344	773 468	887 101	952 340	946 604	941 989	994 094	1 056 577	1 148 152
Compensation of employees	722 027	721 247	821 215	877 206	890 053	883 289	918 016	976 837	1 064 266
Goods and services	56 317	52 219	65 883	75 134	56 551	58 700	76 078	79 740	83 886
Interest and rent on land	-	2	3	-	-	-	-	-	-
Transfers and subsidies to:	238 187	285 220	313 940	282 631	287 832	315 739	260 659	215 310	154 186
Provinces and municipalities	-	-	-	-	15	15	-	-	-
Departmental agencies and accounts	15 768	18 863	19 842	19 842	18 850	18 850	20 868	22 036	23 248
Higher education institutions	16	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	222 403	266 357	294 098	262 789	268 967	296 874	239 791	193 274	130 938
Payments for capital assets	2 412	99	33	6 712	7 247	5 458	9 597	9 998	10 411
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 412	99	33	6 712	7 247	5 458	9 597	9 998	10 411
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	6	7	-	-	-	-	-	-	-
Total	1 018 949	1 058 794	1 201 074	1 241 683	1 241 683	1 263 186	1 264 350	1 281 885	1 312 749

The sub-programme: Nursing Training Colleges provides for the training of 225 nurses at under-graduate and post-basic level at 11 campuses. The target group includes actual and potential employees. The negative growth in 2016/17 was due to lower staff exit costs. Growth over the MTEF is inflationary only.

The EMS Training Colleges sub-programme provides for the training of rescue and ambulance personnel which takes place at McCord Hospital. The target groups include actual and potential employees. The marked increase from 2016/17 was due to the incorrect linking of EMS training staff against Programme 3, which was corrected in 2016/17. Historical figures could not be restated. Approximately 30 personnel are trained each year. The growth over the 2018/19 MTEF is inflationary only.

The sub-programme: Bursaries provides bursaries for health science training programmes supporting mainly medical doctors at under- and post-graduate levels, targeting actual and potential employees over the period. The increase in 2016/17 was to address pressures from the carry-through costs of the increase in the Cuban Doctors' programme intake in 2015/16, as well as the increased cost of the programme due to the weakening Rand/Dollar exchange rate. As mentioned, No further students will be added to this programme in accordance with a NDOH instruction. An estimated 261 students are expected to return from Cuba in 2018/19. Based on the current pass rate, approximately 225, 69 and 17 students will return from 2019/20 to 2021/22, respectively, to serve an 18-month internship. Apart from the students in Cuba, a further 696 students are funded *via* bursaries in South Africa. The MTEF trend is negative due to students completing their studies and returning to South Africa for the 18-month internships.

The Primary Health Care Training sub-programme provides PHC related training for personnel, as required by the regions. The negative growth from 2015/16 to 2017/18 is attributable to the reduced intake in the general nurse training programme due to budget cuts. The increase in the 2018/19 MTEF is an attempt to restore the nurse training programmes, especially in the specialised fields, such as advanced midwifery. Currently, a total of 185 students are trained annually.

The sub-programme: Training Other includes skills development programmes for all of the department's occupational categories. The target group includes actual and potential employees and training includes disability management, health and safety training, among others. The increase in 2016/17 and 2017/18 is attributable to a once-off increased intake of medical interns, which is a two-year programme, hence the low growth in 2018/19. The outer two years of the 2018/19 MTEF provide for inflationary increases only.

Compensation of employees increased in 2016/17 due to the above-mentioned increased intake of medical interns. The growth over the 2018/19 MTEF is below the required inflationary increases, which implies that there is insufficient funding for existing staff, and this will be reviewed in-year.

The growth against *Goods and services* from 2016/17 to the 2017/18 Main Appropriation relates to the negative effects of the weakening Rand/Dollar exchange rate on the travelling and subsistence costs of students in the Cuban Doctors' programme. The reduction in the 2017/18 Adjusted Appropriation is due to enforced savings to address pressures elsewhere in the budget. Growth over the MTEF caters for the ongoing travelling costs of the Cuban Doctors' programme, as well as inflationary increments.

Transfers and subsidies to: Departmental agencies and accounts caters for the HWSETA levy, which is in line with the growth in *Compensation of employees* for the department as a whole.

Transfers and subsidies to: Households relates to intensive training programmes through bursaries to address the shortage of personnel in the health fields, including the Cuban Doctors' programme. The increase in 2016/17 was to address pressures from the carry-through costs of the increase in the number of Cuban Doctors' programme intake in 2015/16, as well as the increased cost of the Cuban Doctors' programme due to the weakening Rand/Dollar exchange rate. The budget over the 2018/19 MTEF reduces in line with the anticipated return of qualified students from Cuba to undertake their 18 month internships. The final batch of returning students is expected to complete their internships in 2022/23.

Machinery and equipment makes provision for additional office and training equipment at the various training campuses. The procurement of replacement college vehicles was put on hold until 2017/18, hence the increase in that year. The 2018/19 MTEF allocations are inflation related.

Payments for financial assets relates to the write-off of losses.

Service delivery measures: Health Sciences and Training

Table 7.32 illustrates service delivery pertaining to Programme 6. The measures comply fully with the customised measures of the Health sector. Note that the department publishes additional non-sector measures for this programme in its annual APP.

Table 7.32 : Service delivery measures: Health Sciences and Training

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21
1. Bursaries						
Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees	• No. of bursaries awarded for first year medicine students	30	30	30	30	
	• No. of bursaries awarded for first year nursing students	150	150	150	150	

8.7 Programme 7: Health Care Support Services

The aim of this programme is to house a number of centralised services including the PPSD which manages the supply of pharmaceuticals and medical sundries to hospitals, community health centres, clinics and local authorities, *via* the Medicine Trading Account, the provision of laundry services to hospitals, care and rehabilitation centres and certain local authorities, as well as the provision of specialised orthotic and prosthetic services to hospitals and clinics.

Tables 7.33 and 7.34 summarise the payments and estimates relating to this programme.

Table 7.33 : Summary of payments and estimates by sub-programme: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Medicine Trading Account	6	-	-	64 600	-	-	73 477	77 587	81 854
2. Laundry Services	125 667	134 153	241 603	186 767	193 082	177 276	185 396	195 778	209 144
3. Orthotic and Prosthetic Services	26 235	31 942	27 165	42 587	36 272	44 200	54 767	48 994	52 492
Total	151 908	166 095	268 768	293 954	229 354	221 476	313 640	322 359	343 490

Table 7.34 : Summary of payments and estimates by economic classification: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	147 452	165 637	268 086	287 608	216 363	209 954	298 086	315 439	336 189
Compensation of employees	84 524	90 967	94 283	152 176	108 440	103 686	162 692	172 467	185 352
Goods and services	62 928	74 670	173 803	135 432	107 923	106 267	135 394	142 972	150 837
Interest and rent on land	-	-	-	-	-	1	-	-	-
Transfers and subsidies to:	1 264	244	636	696	777	988	737	778	821
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 264	244	636	696	777	988	737	778	821
Payments for capital assets	3 192	214	46	5 650	12 214	10 534	14 817	6 142	6 480
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 192	214	46	5 650	12 214	10 534	14 817	6 142	6 480
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	151 908	166 095	268 768	293 954	229 354	221 476	313 640	322 359	343 490

The Medicine Trading Account sub-programme renders pharmaceutical services to the department. It also manages the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities *via* the Medicine Trading Account. The decision to incorporate PPSD into the

departmental books in 2017/18 was put on hold while the department is strengthening systems in this facility, hence there is no funding in the 2017/18 Adjusted Appropriation and Revised Estimate under this sub-programme. This decision will be reviewed in 2018/19 and funding will be sourced from the resultant reduction in the medicine levy paid by all programmes.

The Laundry Services sub-programme provides laundry services to hospitals, care and rehabilitation centres. The negative growth in the 2017/18 Main Appropriation is due to an additional once-off R80 million allocated for linen in 2016/17. The increase in the 2017/18 Adjusted Appropriation was to provide for increased fuel costs at laundries. The under-spending in the 2017/18 Revised Estimate is a result of slow recruitment processes in respect of the filling of non-OSD laundry services posts. The growth over the 2018/19 MTEF is inflationary only.

The Orthotic and Prosthetic Services sub-programme provides specialised orthotic and prosthetic services. The negative growth in 2016/17 and the significant growth in 2017/18 relates to orthopaedic workshop disputes on tender prices and subsequent non-delivery of supplies in 2016/17, which resulted in minimal stock levels for artificial limbs and delays with the renewal of the tender for crutches. The high growth in 2018/19 and the subsequent decrease in 2019/20 relates to the once-off purchase of orthotic and prosthetic medical equipment to address backlogs, with inflationary growth thereafter.

Compensation of employees was reduced in the 2017/18 Adjusted Appropriation as a result of the delays in filling of Laundry Services posts due to the lack of carry-through funding in the outer years of the MTEF, as well as the decision to put the incorporation of the PPSD into the departmental books on hold, as mentioned. The increase in 2018/19 is for the anticipated incorporation of the PPSD into the department's books, with the remaining two years of the MTEF showing below inflationary growth, which is thus insufficient for existing staff, and this will be addressed in-year.

The significantly higher spending in *Goods and services* in 2016/17 was due to the once-off provision for the bulk purchase of linen for the commissioning of the KwaZulu Provincial Laundry, which is situated in the Prince Mshiyeni Hospital precinct, as well as the outsourcing of laundry services while awaiting the commissioning. This accounts for the negative growth in 2017/18, and inflationary growth thereafter.

Transfers and subsidies to: Households relates to staff exit costs.

Machinery and equipment in 2017/18 and 2018/19 relates to the purchase of orthotic and prosthetic medical equipment to address backlogs, as well as the replacement of laundry vehicles, hence the drop in 2019/20, with inflationary growth thereafter.

Service delivery measures: Health Care Support Services

Table 7.35 illustrates service delivery pertaining to Programme 7. Although there are no customised measures for this programme, the following measures are part of the set of non-sector measures published in the APP. Note that the department publishes additional measures for this programme in its annual APP.

Table 7.35 : Service delivery measures: Health Care Support Services

Table 7.55 : Service delivery measures: Health Care Support Services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Medicine Trading Account					
Render pharmaceutical services to the department. Manage the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities	• Percentage of pharmacies that obtained A and B grading on inspection	93.7%	95.8%	100%	100%
	• No. of facilities implementing the CCMDD programme	692	717	717	717
	• No. of patients enrolled on CCMDD programme (cumulative)	839 187	1 350 000	1 750 000	1 850 000
2. Laundry services					
Render laundry services to hospitals, care and rehabilitation centres and certain local authorities	• Percentage of facilities reporting clean linen stock outs	2.8%	1.4%	0%	0%

8.8 Programme 8: Health Facilities Management

Programme 8 consists of six sub-programmes, the main aim of which is the facilities management of community health clinics, community health centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures. The main activities are to provide new health facilities, and rehabilitate, upgrade and maintain existing facilities in all sub-programmes. This includes the provision of additional PHC facilities, to ensure improved access to health services in under-served areas of the province, as well as the provision of major medical equipment. Tables 7.36 and 7.37 summarise payments and estimates relating to Programme 8.

Table 7.36 : Summary of payments and estimates by sub-programme: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Community Health Facilities	443 562	184 965	142 856	165 800	133 051	113 914	153 121	173 782	183 341
2. District Hospital Services	476 652	207 502	165 189	240 000	138 772	142 338	246 538	315 136	352 469
3. Provincial Hospital Services	500 232	848 813	863 523	849 184	875 913	994 259	831 872	744 089	618 081
4. Central Hospital Services	18 685	29 896	22 601	103 819	29 062	29 659	87 628	61 199	64 565
5. Other Facilities	239 906	246 442	226 406	297 725	281 180	235 557	209 497	234 007	240 796
Total	1 679 037	1 517 618	1 420 575	1 656 528	1 457 978	1 515 727	1 528 656	1 528 213	1 459 252

Table 7.37 : Summary of payments and estimates by economic classification: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	379 132	375 853	419 726	460 421	432 369	431 305	496 246	547 580	621 667
Compensation of employees	24 158	33 986	43 022	51 400	55 096	57 296	58 496	51 346	53 397
Goods and services	354 974	341 867	376 704	409 021	377 273	374 009	437 750	496 234	568 270
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	37	20 000	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	20 000	-	-	-	-	-	-	-
Households	37	-	-	-	-	-	-	-	-
Payments for capital assets	1 299 868	1 121 765	1 000 849	1 196 107	1 025 609	1 084 422	1 032 410	980 633	837 585
Buildings and other fixed structures	1 206 295	1 052 053	908 917	819 107	923 450	969 867	963 192	743 360	646 960
Machinery and equipment	93 573	69 712	91 932	377 000	102 159	114 555	69 218	237 273	190 625
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 679 037	1 517 618	1 420 575	1 656 528	1 457 978	1 515 727	1 528 656	1 528 213	1 459 252

The bulk of the budget pertains to the construction and maintenance of the department's infrastructure, with the sub-programmes aligned to the main service delivery programmes. The most significant funding is against the Provincial Hospital Services sub-programme, which houses the new Dr Pixley Ka Isaka Seme Hospital. The sub-programme: Other Facilities relates to projects in Programmes 1, 3, 6 and 7, with the major projects being the new Town Hill Office park and the KZN Provincial Laundry.

Buildings and other fixed structures is the main cost-driver in this programme and is largely linked to a drive to improve and maintain the infrastructure of the department and is also related to increasing conditional grant funding, especially the Health Facility Revitalisation grant, as well as the department's equitable share. The decrease in 2016/17 was due to a decrease in the allocation for the Health Facility Revitalisation grant in that year. The allocation for the grant peaks in 2018/19 due to the incentive nature of this grant. The increase in 2018/19 and over the MTEF is also in line with various project requirements, mainly the new Dr Pixley Ka Isaka Seme Hospital, as well as the Ngwelezane Hospital project.

The increase in *Compensation of employees* from 2015/16 to 2017/18 relates to the department appointing 15 additional staff as required by DORA, and in terms of the Health Facility Revitalisation grant framework, including engineers, architects and quantity surveyors. This trend continued in 2016/17 with 18 posts filled to date including engineers, works inspectors and project managers. The programme is at

full capacity in 2017/18. The negative growth in 2019/20 is due to the EPWP Integrated Grant for Provinces being funded in 2018/19 only, at this stage.

The day-to-day maintenance drive accounts for the trend against *Goods and services* over the entire period and is an effort to bring facilities up to standard for the roll-out of the NHI. The high spending in 2016/17 was due to higher than expected building leases. The level of funding for maintenance grows strongly over the 2018/19 MTEF. Projects include day-to-day maintenance at all facilities such as urgent unplanned reactive maintenance, as well as servicing of plant, equipment, air conditioning units and lifts.

Transfers and subsidies to: Non-profit institutions comprises a transfer of R20 million in 2015/16 to the KZN Children's Hospital Trust in respect of the KZN Children's Hospital in the eThekweni Metro.

Machinery and equipment provides for essential medical equipment in all facilities. The decrease in 2015/16 was attributed to the HTS unit being behind on the planned equipment replacement programme due to lengthy SCM processes. The significant reduction in the 2017/18 Adjusted Appropriation is based on the decision to decentralise the HTS related medical equipment budget to facilities, as mentioned. Historical trends have been restated for comparative purposes. The trend over the two outer years of the 2018/19 MTEF shows high growth to address backlogs in essential medical equipment, such as X-ray machines and CT scanners, as well as the effect of the weakening exchange rate on the replacement of redundant essential medical equipment, for which the department received additional funding.

Service delivery measures: Health Facilities Management

Table 7.38 illustrates service delivery pertaining to Programme 8. The measures comply fully with the customised measures of the Health sector. Note that the department publishes additional non-sector measures for this programme in its annual APP.

Table 7.38 : Service delivery measures: Health Facilities Management

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Health Facilities Management					
Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities	• No. of health facilities that have undergone major and minor refurbishment in NHI pilot district	148	148	148	148
	• No. of health facilities that have undergone major and minor refurbishment outside NHI pilot district (excluding facilities in NHI pilot district)	464	464	464	464

9. Other programme information

9.1 Personnel numbers and costs

Table 7.39 reflects personnel information. The staff occupying sub-vented (shared costs) posts and whose salaries are claimed from UKZN are not included in the information provided as they are not paid from the department's voted funds. As from 2017/18, approximately 131 personnel working at the PPSD, who were previously paid from the Medicine Trading Account, are now paid from voted funds, following the decision to incorporate the PPSD to be part of the departmental facilities. Note that the staff numbers include the placing of student nurses and community care-givers (CCG) on the payroll. The cost for CCGs has not increased, as the affected staff were previously paid *via* transfers to NGOs. The cost of student nurses are lower as they now receive a stipend, instead of a full salary.

As mentioned, provision should have been made for an inflationary wage adjustment of 6.5 per cent in 2018/19, 6.3 per cent in 2019/20 and 6.5 per cent for 2019/20, as well as 1.5 per cent per year for pay progression, this was not possible in 2018/19 due to pressures from non-negotiables and medico-legal claims. The department has only provided for a 5.7 per cent, 7.7 per cent and 8.4 per cent provision in the three MTEF years, respectively, which is insufficient to cater for existing staff. The situation in 2018/19 will be reviewed by the department during 2018/19.

Estimates of Provincial Revenue and Expenditure

Table 7.39 : Summary of departmental personnel numbers and costs by component

R thousands	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Add. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 6	44 094	6 439 161	44 154	7 986 039	42 275	8 752 299	40 478	476	40 954	9 432 829	41 775	9 950 131	42 621	10 738 054	43 567	11 631 695	2.1%	7.2%	38.1%
7 – 10	21 664	8 161 593	22 091	8 930 342	21 641	9 667 747	21 631	36	21 667	10 225 021	22 098	10 787 374	21 894	11 628 101	22 410	12 612 524	1.1%	7.2%	41.3%
11 – 12	5 062	4 685 835	5 133	4 057 507	5 178	4 173 809	5 014	13	5 027	4 304 737	5 126	4 573 972	5 201	4 901 522	5 388	5 323 419	2.3%	7.3%	17.4%
13 – 16	79	84 626	81	86 811	88	94 415	81	2	83	89 278	84	96 071	96	103 139	97	111 611	5.3%	7.7%	0.4%
Other	11 247	643 327	11 413	732 461	13 063	666 626	12 951	-	12 951	725 974	11 828	771 078	12 006	820 512	12 047	886 027	(2.4%)	6.9%	2.9%
Total	82 146	20 014 542	82 872	21 793 160	82 245	23 354 896	80 155	527	80 682	24 777 838	80 911	26 178 626	81 818	28 191 328	83 509	30 565 276	1.2%	7.2%	100.0%
Programme																			
1. Administration	781	292 983	817	326 812	821	365 803	850	31	881	387 367	891	419 446	899	450 325	899	486 351	0.7%	7.9%	1.6%
2. District Health Services	46 968	9 481 720	46 531	10 476 826	46 847	11 229 551	46 028	109	46 137	11 967 344	46 843	12 396 711	46 841	13 445 989	46 841	14 536 078	0.5%	6.7%	47.8%
3. Emergency Medical Services	3 104	768 178	3 049	822 311	2 972	866 530	2 938	-	2 938	966 812	2 997	962 392	2 989	1 087 276	2 989	1 174 258	0.6%	6.7%	3.9%
4. Provincial Hospital Services	22 402	6 505 622	21 788	6 989 676	20 420	7 442 082	19 707	-	19 707	7 763 049	20 093	8 417 039	20 612	8 920 704	21 745	9 654 757	3.3%	7.5%	31.5%
5. Central Hospital Services	4 435	2 135 330	5 845	2 331 335	6 205	2 492 410	6 110	-	6 110	2 648 995	6 216	2 843 834	6 334	3 086 384	6 683	3 410 817	3.0%	8.8%	10.9%
6. Health Sciences and Training	3 311	722 027	3 454	721 247	3 175	821 215	2 506	386	2 892	883 289	2 949	918 016	3 254	976 837	3 433	1 064 266	5.9%	6.4%	3.5%
7. Health Care Support Services	469	84 524	609	90 967	1 510	94 283	1 698	-	1 698	103 686	602	162 692	569	172 467	599	185 352	(29.3%)	21.4%	0.6%
8. Health Facilities Management	676	24 158	779	33 986	295	43 022	318	1	319	57 296	320	58 496	320	51 346	320	53 397	0.1%	(2.3%)	0.2%
Total	82 146	20 014 542	82 872	21 793 160	82 245	23 354 896	80 155	527	80 682	24 777 838	80 911	26 178 626	81 818	28 191 328	83 509	30 565 276	1.2%	7.2%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	21 667	3 967 610	21 676	4 597 960	23 890	4 556 760	22 513	497	23 010	4 751 092	23 103	5 019 690	23 553	5 405 621	24 003	5 860 820	1.1%	7.2%	19.2%
PSA app. still to be covered by OSDs	1 790	357 528	1 739	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
Prof. Nurses, Staff Nurses and Nursing	33 702	9 863 271	34 035	9 042 560	33 470	12 116 524	33 114	18	33 132	13 089 606	33 167	13 829 613	33 417	14 892 881	34 267	16 146 986	0.8%	7.2%	52.8%
Legal Professionals	6	3 032	10	7 204	9	5 021	6	3	9	5 330	6	5 631	6	6 064	6	6 575	(9.6%)	7.2%	0.0%
Social Services Professions	275	89 899	276	105 965	271	115 635	266	1	267	122 409	276	129 329	276	139 272	276	151 000	0.8%	7.2%	0.5%
Engineering Prof. and related	516	192 443	535	264 756	452	165 657	435	6	441	175 021	448	184 916	448	199 133	448	215 902	0.4%	7.2%	0.7%
Medical and related professionals	8 453	3 918 101	8 388	4 570 985	8 399	4 732 854	8 241	1	8 242	5 044 641	8 245	5 329 834	8 345	5 739 610	8 669	6 222 934	1.3%	7.2%	20.4%
Therapeutic, Diagnostic, Allied Health	2 732	963 443	2 716	2 929 250	2 691	1 094 411	2 629	1	2 630	1 054 699	2 637	1 114 325	2 637	1 199 998	2 637	1 301 048	0.1%	7.2%	4.3%
Others (interns, EPWP, learnerships)	13 005	659 215	13 497	274 480	13 063	568 034	12 951	-	12 951	535 040	13 029	565 288	13 136	608 749	13 203	660 011	0.5%	7.2%	2.2%
Total	82 146	20 014 542	82 872	21 793 160	82 245	23 354 896	80 155	527	80 682	24 777 838	80 911	26 178 626	81 818	28 191 328	83 509	30 565 276	1.2%	7.2%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

9.2 Training

Table 7.40 reflects departmental expenditure on training. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training. As the percentage spent on training exceeds 4.5 per cent of the baseline, this requirement is fully achieved.

Table 7.40 : Information on training: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Number of staff	82 146	82 872	82 245	80 682	80 682	80 682	80 911	81 818	83 509
Number of personnel trained	9 500	15 343	15 000	15 500	15 500	15 500	16 399	17 382	18 338
of which									
Male	3 330	4 925	5 000	5 730	5 730	5 730	6 062	6 425	6 778
Female	6 170	10 418	10 000	9 770	9 770	9 770	10 337	10 957	11 560
Number of training opportunities	8 030	10 016	10 442	10 508	10 508	10 508	11 024	11 684	12 326
of which									
Tertiary	32	1 200	1 587	1 600	1 600	1 600	1 600	1 696	1 789
Workshops	618	618	655	688	688	688	728	771	813
Seminars	198	198	200	220	220	220	233	246	260
Other	7 182	8 000	8 000	8 000	8 000	8 000	8 464	8 971	9 464
Number of bursaries offered	1 581	1 766	2 204	1 800	1 800	1 800	1 904	2 018	2 129
Number of interns appointed	272	150	200	250	250	250	265	280	295
Number of learnerships appointed	181	250	250	250	250	250	250	265	280
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	2 591	68	-	-	18	2 053	-	-	-
2. District Health Services	3 141	4 014	3 917	53	790	919	1 292	1 364	1 439
3. Emergency Medical Services	-	8	-	-	-	-	-	-	-
4. Provincial Hospital Services	48	-	8	-	-	-	-	-	-
5. Central Hospital Services	78	-	-	-	-	-	-	-	-
6. Health Sciences and Training	1 018 949	1 058 794	1 201 074	1 241 683	1 241 683	1 263 186	1 264 350	1 281 885	1 312 749
7. Health Care Support Services	1	-	-	-	-	-	-	-	-
8. Health Facilities Management	-	12	1	-	-	-	-	-	-
Total	1 024 808	1 062 896	1 205 000	1 241 736	1 242 491	1 266 158	1 265 642	1 283 249	1 314 188

The costs reflected include the costs of staff and other running costs mainly within Programme 6, hence the total costs are significantly more than *Training and development* in Annexure 7B. The training provided is for medical interns, nurses, emergency medical rescue and ambulance personnel and skills development for all occupational categories. The department has several training programmes aimed at developing and retaining skills. These programmes include training of nurses at Nursing Colleges, the Cuban Doctors' programme, registrar training programmes in respect of specialist medical training.

ANNEXURE – VOTE 7: HEALTH

Table 7.A : Details of departmental receipts: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	250 237	213 371	256 922	232 069	232 069	254 045	247 718	263 599	281 317
Sale of goods and services produced by department (excluding capital assets)	249 286	212 169	246 707	231 049	231 049	253 322	246 638	262 458	280 114
Sales by market establishments	14 366	13 727	14 848	19 153	19 153	15 889	21 183	22 419	24 652
Administrative fees	5 262	5 066	6 382	5 045	5 045	6 691	5 343	5 642	5 952
Other sales	229 658	193 376	225 477	206 851	206 851	230 742	220 112	234 397	249 510
Of which									
Health patient fees	156 079	119 100	148 724	126 343	126 343	126 343	133 797	141 290	149 061
Commission	20 217	20 771	21 589	20 748	20 748	22 166	20 800	21 200	22 366
Boarding services	51 156	51 271	53 927	53 227	53 227	54 183	54 200	55 100	58 131
Tender documents	420	341	272	363	363	310	360	362	382
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	951	1 202	10 215	1 020	1 020	723	1 080	1 141	1 203
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	31	54	36	61	61	72	65	68	72
Interest, dividends and rent on land	143	51	3 316	71	71	66	149	157	166
Interest	143	51	3 316	71	71	66	149	157	166
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	14 009	-	970	12 600	12 600	10 093	13 343	14 091	14 866
Land and sub-soil assets	14 009	-	970	12 600	12 600	10 093	13 343	14 091	14 866
Other capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	25 513	30 118	36 860	15 707	15 707	21 019	16 634	17 565	18 531
Total	289 933	243 594	298 104	260 508	260 508	285 295	277 909	295 480	314 952

Estimates of Provincial Revenue and Expenditure

Table 7.B : Payments and estimates by economic classification: Health

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	28 911 128	31 899 939	34 739 862	37 075 809	37 215 923	37 548 048	39 695 959	42 352 834	45 784 761
Compensation of employees	20 014 542	21 793 160	23 354 896	25 246 832	24 962 432	24 777 838	26 178 626	28 191 328	30 565 276
Salaries and wages	17 563 298	19 014 828	20 415 442	22 063 627	21 840 733	21 689 744	22 798 387	24 616 901	26 695 864
Social contributions	2 451 244	2 778 332	2 939 454	3 183 205	3 121 699	3 088 094	3 380 239	3 574 427	3 869 412
Goods and services	8 895 900	10 105 233	11 382 844	11 828 580	12 251 359	12 767 311	13 516 936	14 161 087	15 219 043
Administrative fees	-	3 729	3 359	2 816	3 050	4 613	2 485	2 615	2 757
Advertising	14 083	27 239	23 114	15 050	12 306	18 847	47 099	49 732	52 464
Minor assets	46 064	39 593	41 398	58 563	58 594	46 442	48 614	51 293	54 111
Audit cost: External	122 572	88 639	16 276	21 000	20 381	20 381	22 260	23 507	24 800
Bursaries: Employees	3 694	2 498	1 891	2 357	2 174	1 259	2 585	2 714	2 850
Catering: Departmental activities	2 286	3 929	5 029	5 935	2 897	3 043	5 777	6 203	6 543
Communication (G&S)	99 330	98 598	116 893	112 226	105 437	105 506	113 301	119 121	125 667
Computer services	133 813	150 913	163 632	192 130	160 501	149 576	163 678	181 004	190 957
Cons. and prof. serv.: Business and advisory services	52 943	76 761	58 581	63 426	66 209	59 373	32 378	26 431	27 884
Infrastructure and planning	812	-	61	-	-	-	-	2 112	2 228
Laboratory services	913 128	1 356 455	1 618 865	1 750 718	2 042 101	2 226 347	2 067 884	1 974 991	2 086 685
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	12 025	17 805	34 843	20 174	61 889	78 454	37 509	40 422	42 646
Contractors	140 172	144 987	212 584	245 699	182 584	203 270	176 004	223 441	236 368
Agency and support / outsourced services	1 034 153	1 106 045	1 036 942	983 871	999 796	1 054 351	1 149 431	1 157 777	1 209 483
Entertainment	2	2	8	8	6	4	8	8	8
Fleet services (including government motor transport)	293 620	290 149	301 898	300 362	358 390	381 434	365 014	336 929	355 453
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	11 282	21 402	14 772	26 560	30 349	29 564	35 810	31 366	33 088
Inventory: Farming supplies	5	12	10	-	-	-	-	-	-
Inventory: Food and food supplies	120 101	118 788	121 049	142 994	128 807	127 182	128 232	140 010	147 710
Inventory: Fuel, oil and gas	124 589	117 920	140 417	151 085	85 748	79 918	85 520	89 797	94 641
Inventory: Learner and teacher support material	29	182	225	1 500	1 914	574	-	-	-
Inventory: Materials and supplies	10 634	19 167	18 078	16 981	18 226	20 694	17 876	18 777	19 806
Inventory: Medical supplies	1 481 668	1 479 150	1 541 848	1 662 273	1 689 597	1 688 703	1 670 800	1 746 318	1 866 770
Inventory: Medicine	2 392 666	2 895 380	3 554 428	3 526 663	3 660 587	3 932 467	4 563 344	4 981 799	5 473 933
Medsas inventory interface	3	-	-	-	-	-	-	-	-
Inventory: Other supplies	1 098	1 963	1 629	1 374	198 621	202 173	202 841	212 996	224 505
Consumable supplies	262 751	287 530	404 448	326 657	102 924	103 803	133 970	124 157	131 029
Consumable: Stationery, printing and office supplies	73 778	94 591	88 858	100 661	85 729	83 521	99 613	104 481	110 222
Operating leases	135 476	153 493	139 376	158 677	152 203	148 507	152 709	155 592	158 835
Property payments	1 180 365	1 293 152	1 518 449	1 696 910	1 844 004	1 819 562	1 980 143	2 131 640	2 299 212
Transport provided: Departmental activity	72 277	81 119	79 853	84 655	83 289	80 070	78 588	85 326	90 019
Travel and subsistence	80 518	79 975	83 199	90 264	67 559	68 678	78 415	82 615	87 231
Training and development	15 950	13 253	16 792	14 607	5 179	10 704	20 133	20 993	22 148
Operating payments	57 987	36 639	22 530	47 173	16 542	16 729	33 000	34 800	36 704
Venues and facilities	4 826	4 169	1 440	5 211	2 488	1 556	1 911	2 120	2 286
Rental and hiring	1 200	6	69	-	1 278	6	-	-	-
Interest and rent on land	686	1 546	2 122	397	2 132	2 899	397	419	442
Interest	686	1 546	2 122	397	2 132	2 899	397	419	442
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	828 088	843 093	1 035 657	923 771	1 027 358	1 194 477	982 961	985 139	1 023 395
Provinces and municipalities	122 618	133 330	159 755	198 990	210 519	225 894	219 734	232 091	244 857
Provinces	5 214	3 730	5 005	5 990	6 235	6 237	6 340	6 695	7 064
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	5 214	3 730	5 005	5 990	6 235	6 237	6 340	6 695	7 064
Municipalities	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Municipalities	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	15 895	19 009	20 131	20 031	19 155	19 274	21 067	22 246	23 469
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	15 895	19 009	20 131	20 031	19 155	19 274	21 067	22 246	23 469
Higher education institutions	16	-	-	-	-	-	-	-	-
Foreign governments and international organisations	66	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	10	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	10	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	10	-	-	-	-	-	-	-
Non-profit institutions	222 051	213 402	203 929	210 687	143 454	142 226	54 870	56 513	58 508
Households	467 442	477 342	651 842	494 063	654 230	807 083	687 290	674 289	696 561
Social benefits	143 761	124 175	108 603	112 916	121 348	96 540	119 752	126 497	133 455
Other transfers to households	323 681	353 167	543 239	381 147	532 882	710 543	567 538	547 792	563 106
Payments for capital assets	1 505 879	1 257 629	1 106 314	1 441 285	1 579 473	1 579 896	1 688 744	1 619 162	1 515 820
Buildings and other fixed structures	1 206 505	1 052 053	910 917	819 107	926 250	972 667	963 192	743 360	646 960
Buildings	1 206 295	1 047 225	908 917	819 107	926 250	972 667	963 192	743 360	646 960
Other fixed structures	210	4 828	2 000	-	-	-	-	-	-
Machinery and equipment	299 374	205 576	195 397	622 178	653 223	607 229	705 552	875 802	868 860
Transport equipment	122 385	77 809	50 411	147 079	171 280	157 956	215 508	212 347	223 890
Other machinery and equipment	176 989	127 767	144 986	475 099	481 943	449 273	490 044	663 455	644 970
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	415	110 063	144 564	107 608	107 724	107 742	-	-	-
Total	31 245 510	34 110 724	37 026 397	39 548 473	39 930 478	40 430 163	42 347 664	44 957 135	48 323 976
Unauth. Exp. (1st charge) not available for spending	-	(107 607)	(107 607)	(107 608)	(107 608)	(107 608)	-	-	-
Baseline available for spending after 1st charge	31 245 510	34 003 117	36 918 790	39 440 865	39 822 870	40 322 555	42 347 664	44 957 135	48 323 976

Table 7.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	678 837	722 304	683 440	771 212	771 446	720 997	764 167	774 916	829 084
Compensation of employees	292 983	326 812	365 803	402 196	383 149	387 367	419 446	450 325	486 351
Salaries and wages	255 527	284 612	317 645	350 675	335 901	340 012	365 177	393 017	424 459
Social contributions	37 456	42 200	48 158	51 521	47 248	47 355	54 269	57 308	61 892
Goods and services	385 799	395 388	316 817	369 016	388 271	333 480	344 721	324 591	342 733
Administrative fees	-	600	1 166	976	921	821	1 012	1 068	1 127
Advertising	3 504	2 308	2 848	2 200	1 693	2 335	2 333	2 464	2 599
Minor assets	416	(1 532)	2 657	2 010	1 541	65	2 130	2 250	2 374
Audit cost: External	122 566	88 639	16 276	21 000	20 381	20 381	22 260	23 507	24 800
Bursaries: Employees	(2)	60	37	-	-	-	-	-	-
Catering: Departmental activities	500	578	3 145	3 300	828	842	1 504	1 700	1 793
Communication (G&S)	10 581	10 963	11 462	12 208	11 509	11 654	12 954	13 679	14 432
Computer services	133 465	147 306	158 740	190 000	155 524	141 550	153 174	169 962	179 309
Cons. and prof. serv.: Business and advisory services	33 043	69 494	55 300	60 000	64 662	57 423	30 600	24 563	25 914
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	25	47	228	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	504	1 614	1 474	6 000	61 889	4 808	6 360	7 716	8 140
Contractors	1 507	710	77	45	45	23 338	48	51	54
Agency and support / outsourced services	7 756	6 436	1 490	1 500	1 332	1 707	40 346	1 679	1 771
Entertainment	2	2	8	8	6	4	8	8	8
Fleet services (including government motor transport)	5 324	5 757	6 058	6 850	6 339	8 345	7 282	7 689	8 112
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	3 415	(258)	(132)	100	132	38	106	112	118
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	18	55	15	22	50	56	28	30	32
Inventory: Fuel, oil and gas	6	(1 836)	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	12	-	-	-	-	-	-	-
Inventory: Materials and supplies	9	681	52	50	25	-	53	56	59
Inventory: Medical supplies	(1 684)	722	751	-	265	265	-	-	-
Inventory: Medicine	318	(7)	183	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	7	37	-	-	-
Consumable supplies	(6 517)	(3 511)	(101)	10	6	3	12	13	14
Consumable: Stationery, printing and office supplies	8 149	7 912	4 953	6 165	2 713	2 458	3 544	3 910	4 126
Operating leases	5 012	5 095	5 113	5 611	5 051	5 055	5 952	6 285	6 631
Property payments	25 844	26 669	25 018	26 064	35 724	34 492	36 628	38 175	40 275
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	18 047	19 481	18 804	19 273	14 776	14 450	16 426	17 500	18 700
Training and development	2 591	68	-	-	18	2 053	-	-	-
Operating payments	7 745	4 092	188	424	340	85	449	474	500
Venues and facilities	2 922	3 230	971	5 200	2 488	1 209	1 512	1 700	1 845
Rental and hiring	733	1	36	-	6	6	-	-	-
Interest and rent on land	55	104	820	-	26	150	-	-	-
Interest	55	104	820	-	26	150	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	7 249	5 689	17 443	7 308	6 594	6 287	7 705	8 137	8 585
Provinces and municipalities	3 267	2 525	2 903	3 490	3 596	3 596	3 695	3 902	4 117
Provinces	3 267	2 525	2 903	3 490	3 596	3 596	3 695	3 902	4 117
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	3 267	2 525	2 903	3 490	3 596	3 596	3 695	3 902	4 117
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	1	1	-	1	1	1
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	1	1	-	1	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	66	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 916	3 164	14 540	3 817	2 997	2 691	4 009	4 234	4 467
Social benefits	3 862	2 464	2 737	3 317	2 997	2 638	4 009	4 234	4 467
Other transfers to households	54	700	11 803	500	-	53	-	-	-
Payments for capital assets	15 827	11 021	257	5 043	11 651	47 606	39 335	29 634	30 531
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	15 827	11 021	257	5 043	11 651	47 606	39 335	29 634	30 531
Transport equipment	1 274	3 408	-	3 329	7 526	16 635	7 522	4 720	4 980
Other machinery and equipment	14 553	7 613	257	1 714	4 125	30 971	31 813	24 914	25 551
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	107 608	144 534	107 608	107 724	107 724	-	-	-
Total	701 925	846 622	845 674	891 171	897 415	882 614	811 207	812 687	868 200
Unauth. Exp. (1st charge) not available for spending	-	(107 607)	(107 607)	(107 608)	(107 608)	(107 608)	-	-	-
Baseline available for spending after 1st charge	701 925	739 015	738 067	783 563	789 807	775 006	811 207	812 687	868 200

Estimates of Provincial Revenue and Expenditure

Table 7.D : Payments and estimates by economic classification: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	13 774 307	15 589 077	17 198 336	18 402 782	18 710 274	18 874 337	20 118 237	21 645 795	23 377 105
Compensation of employees	9 481 720	10 476 826	11 229 551	12 176 936	12 079 378	11 967 344	12 396 711	13 445 989	14 536 078
Salaries and wages	8 288 913	9 117 861	9 783 720	10 614 979	10 531 512	10 443 703	10 852 419	11 767 152	12 727 717
Social contributions	1 192 807	1 358 965	1 445 831	1 561 957	1 547 866	1 523 641	1 544 292	1 678 837	1 808 361
Goods and services	4 292 441	5 111 894	5 967 879	6 225 453	6 630 616	6 906 598	7 721 133	8 199 391	8 840 589
Administrative fees	-	818	1 474	1 092	1 050	1 071	679	713	752
Advertising	6 701	21 163	16 947	9 013	8 483	14 272	42 347	44 728	47 187
Minor assets	25 771	23 132	27 222	45 549	32 481	32 920	36 860	38 929	41 070
Audit cost: External	(1)	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 473	2 862	1 549	2 110	1 799	1 760	4 002	4 217	4 449
Communication (G&S)	53 110	52 806	67 461	59 965	56 558	56 812	59 633	62 618	66 064
Computer services	93	3 252	1 457	-	1 460	1 094	1 289	1 354	1 428
Cons. and prof. serv.: Business and advisory services	5 070	4 487	2 238	3 270	1 013	1 310	1 305	1 371	1 446
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	822 165	962 065	1 096 298	1 202 000	1 377 650	1 513 709	1 475 682	1 431 419	1 492 103
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	3 026	5 913	9 761	4 463	-	30 971	16 827	17 668	18 641
Contractors	23 625	25 376	35 905	41 944	91 965	83 953	88 181	106 218	112 061
Agency and support / outsourced services	104 484	95 569	109 275	127 089	153 653	144 859	178 826	187 798	198 128
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	94 603	91 734	91 950	96 525	113 038	110 880	116 575	122 405	129 137
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	3 489	7 173	7 270	8 288	10 942	9 954	11 257	11 820	12 472
Inventory: Farming supplies	4	12	10	-	-	-	-	-	-
Inventory: Food and food supplies	69 551	70 862	73 884	85 150	81 701	82 026	80 662	90 062	95 015
Inventory: Fuel, oil and gas	34 179	34 088	38 483	41 658	20 671	19 080	20 733	21 770	22 967
Inventory: Learner and teacher support material	-	-	3	-	-	-	-	-	-
Inventory: Materials and supplies	4 023	9 362	11 554	8 861	10 980	13 046	11 671	12 256	12 930
Inventory: Medical supplies	423 879	440 167	467 830	526 337	534 761	465 667	535 935	568 274	599 528
Inventory: Medicine	1 820 811	2 348 656	2 898 233	2 834 955	3 042 947	3 255 421	3 899 952	4 280 309	4 723 999
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	446	375	382	222	71 716	74 712	75 741	79 529	83 903
Consumable supplies	114 440	114 296	121 805	129 117	52 670	53 216	53 834	56 558	59 670
Consumable: Stationery, printing and office supplies	35 617	50 752	51 138	54 815	48 940	47 921	59 199	61 882	65 284
Operating leases	41 646	46 271	37 100	36 926	32 374	27 064	32 677	34 313	36 201
Property payments	560 275	653 581	762 405	868 002	856 093	838 852	881 781	925 871	976 794
Transport provided: Departmental activity	979	1 275	1 654	1 583	1 807	1 798	1 909	2 005	2 115
Travel and subsistence	26 087	28 841	24 063	24 740	20 135	19 355	24 346	25 573	26 978
Training and development	3 141	4 014	3 917	53	790	919	1 292	1 364	1 439
Operating payments	12 290	12 426	6 509	11 726	3 667	3 956	7 938	8 367	8 828
Venues and facilities	1 171	564	69	-	-	-	-	-	-
Rental and hiring	293	2	33	-	1 272	-	-	-	-
Interest and rent on land	146	357	906	393	280	395	393	415	438
Interest	146	357	906	393	280	395	393	415	438
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	411 766	363 631	458 294	457 659	475 617	579 002	455 387	487 529	556 518
Provinces and municipalities	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Provinces	-	-	-	-	-	2	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	2	-	-	-
Municipalities	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Municipalities	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	10	48	107	43	67	107	45	47	49
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	10	48	107	43	67	107	45	47	49
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	190 405	165 147	171 372	175 844	108 611	114 758	49 701	51 034	52 865
Households	103 947	68 836	132 065	88 772	162 655	244 478	192 247	211 052	265 811
Social benefits	73 065	67 262	58 149	63 772	64 511	45 737	67 247	71 052	74 959
Other transfers to households	30 882	1 574	73 916	25 000	98 144	198 741	125 000	140 000	190 852
Payments for capital assets	148 259	55 159	67 311	132 905	255 309	205 798	252 090	296 519	312 827
Buildings and other fixed structures	210	-	-	-	2 800	2 800	-	-	-
Buildings	-	-	-	-	2 800	2 800	-	-	-
Other fixed structures	210	-	-	-	-	-	-	-	-
Machinery and equipment	148 049	55 159	67 311	132 905	252 509	202 998	252 090	296 519	312 827
Transport equipment	105 978	34 867	35 923	75 000	95 004	72 571	107 647	92 150	97 218
Other machinery and equipment	42 071	20 292	31 388	57 905	157 505	130 427	144 443	204 369	215 609
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	21	29	30	-	-	18	-	-	-
Total	14 334 353	16 007 896	17 723 971	18 993 346	19 441 200	19 659 155	20 825 714	22 429 843	24 246 450

Table 7.E : Payments and estimates by economic classification: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 061 869	1 133 984	1 189 528	1 220 793	1 301 802	1 347 223	1 329 375	1 419 356	1 524 602
Compensation of employees	768 178	822 311	866 530	899 259	942 036	966 812	962 392	1 087 276	1 174 258
Salaries and wages	658 964	696 517	738 046	762 311	805 088	829 974	807 719	924 340	998 287
Social contributions	109 214	125 794	128 484	136 948	136 948	136 838	154 673	162 936	175 971
Goods and services	293 675	311 638	322 937	321 534	359 747	380 406	366 983	332 080	350 344
Administrative fees	-	-	35	21	20	16	21	22	23
Advertising	52	12	43	18	19	13	24	25	26
Minor assets	424	356	630	900	1 833	1 555	1 118	1 181	1 246
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	77	-	-	-	-	-	-	-	-
Communication (G&S)	8 107	8 734	9 395	10 148	9 381	9 415	11 468	12 111	12 777
Computer services	45	-	-	-	-	-	-	-	-
Cons. and prof. serv.: Business and advisory services	11	2	5	-	93	93	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	151	77	320	95	-	26	95	100	106
Contractors	901	2 515	1 305	1 061	2 123	2 123	1 088	1 148	1 211
Agency and support / outsourced services	696	542	472	307	501	486	165	174	184
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	169 437	168 660	179 855	171 862	212 388	235 999	213 015	177 243	186 992
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	292	7 714	248	10 752	12 144	12 145	16 748	11 350	11 974
Inventory: Farming supplies	1	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3 350	2 219	9 033	-	1	1	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	91	53	187	248	135	68	248	262	276
Inventory: Medical supplies	11 086	11 709	11 097	10 000	9 093	8 989	11 708	12 364	13 044
Inventory: Medicine	335	148	563	318	432	632	350	370	390
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	1 491	1 402	1 800	1 900	2 005
Consumable supplies	1 009	1 922	4 373	4 240	16	70	334	376	396
Consumable: Stationery, printing and office supplies	2 948	2 092	2 206	2 280	2 068	2 116	3 163	3 340	3 524
Operating leases	1 441	1 615	1 624	1 610	1 335	1 259	1 622	1 712	1 806
Property payments	17 341	19 620	22 129	23 000	23 844	23 853	25 266	26 681	28 148
Transport provided: Departmental activity	71 283	79 756	77 341	82 680	80 916	77 760	76 123	78 946	83 288
Travel and subsistence	4 503	3 678	1 961	1 782	1 912	2 380	2 187	2 310	2 437
Training and development	-	8	-	-	-	-	-	-	-
Operating payments	94	206	115	212	2	5	440	465	491
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	16	35	61	-	19	5	-	-	-
Interest	16	35	61	-	19	5	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 684	3 465	3 779	5 057	4 703	3 885	5 311	5 609	5 918
Provinces and municipalities	1 947	1 205	2 001	2 500	2 624	2 624	2 645	2 793	2 947
Provinces	1 947	1 205	2 001	2 500	2 624	2 624	2 645	2 793	2 947
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 947	1 205	2 001	2 500	2 624	2 624	2 645	2 793	2 947
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2	2	2	2	-	-	2	2	2
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	2	2	2	2	-	-	2	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 735	2 258	1 776	2 555	2 079	1 261	2 664	2 814	2 969
Social benefits	2 098	1 733	1 358	1 597	1 597	1 072	1 683	1 778	1 876
Other transfers to households	637	525	418	958	482	189	981	1 036	1 093
Payments for capital assets	1 189	36 957	15 956	52 000	52 009	52 009	81 000	96 193	101 484
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 189	36 957	15 956	52 000	52 009	52 009	81 000	96 193	101 484
Transport equipment	250	35 871	14 488	43 000	43 000	43 000	68 500	82 161	86 680
Other machinery and equipment	939	1 086	1 468	9 000	9 009	9 009	12 500	14 032	14 804
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	371	-	-	-	-	-	-	-	-
Total	1 068 113	1 174 406	1 209 263	1 277 850	1 358 514	1 403 117	1 415 686	1 521 158	1 632 004

Estimates of Provincial Revenue and Expenditure

Table 7.F : Payments and estimates by economic classification: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	8 316 935	9 047 148	9 621 228	10 433 135	10 266 749	10 360 621	10 889 835	11 476 311	12 350 923
Compensation of employees	6 505 622	6 989 676	7 442 082	7 997 996	7 838 241	7 763 049	8 417 039	8 920 704	9 654 757
Salaries and wages	5 711 914	6 093 608	6 502 700	6 980 778	6 851 120	6 781 110	7 301 841	7 798 712	8 440 354
Social contributions	793 708	896 068	939 382	1 017 218	987 121	981 939	1 115 198	1 121 992	1 214 403
Goods and services	1 811 170	2 056 552	2 178 854	2 435 135	2 426 701	2 595 225	2 472 792	2 555 603	2 696 162
Administrative fees	-	1 928	138	137	126	2 017	129	136	144
Advertising	2 533	2 538	2 213	2 828	1 257	1 241	1 314	1 380	1 456
Minor assets	7 176	5 667	6 189	6 262	7 417	8 739	6 984	7 334	7 738
Audit cost: External	7	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	51	72	59	113	71	58	69	73	77
Communication (G&S)	20 856	19 520	20 514	20 941	19 265	19 519	20 281	21 296	22 467
Computer services	165	6	224	-	9	9	9	9	9
Cons. and prof. serv.: Business and advisory services	944	139	869	143	380	447	423	444	468
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	90 938	286 067	252 800	356 830	420 985	478 979	373 067	334 130	352 507
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	7 091	8 576	17 642	7 072	-	40 442	11 125	11 681	12 323
Contractors	13 843	22 525	42 107	48 336	52 834	54 249	46 965	64 313	67 861
Agency and support / outsourced services	143 019	139 360	155 703	170 883	170 396	170 669	179 903	188 899	199 290
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	16 685	16 330	16 432	18 383	18 212	17 917	18 513	19 438	20 507
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 688	3 754	4 275	5 220	4 543	4 647	4 652	4 885	5 155
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	42 795	40 323	40 169	48 282	39 240	37 660	40 401	42 420	44 753
Inventory: Fuel, oil and gas	48 190	47 849	53 216	59 770	24 104	21 875	23 075	24 229	25 562
Inventory: Learner and teacher support material	2	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	2 208	3 680	4 588	5 022	4 729	4 879	5 031	5 284	5 574
Inventory: Medical supplies	547 036	518 935	551 046	588 221	606 614	639 661	602 183	633 299	668 131
Inventory: Medicine	385 535	428 158	439 658	474 993	400 292	442 381	442 484	465 359	490 954
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	58 938	60 555	62 736	65 874	69 497
Consumable supplies	84 441	81 720	85 478	93 845	31 380	30 150	32 464	34 088	35 963
Consumable: Stationery, printing and office supplies	20 100	27 870	24 712	28 971	25 220	23 828	24 248	25 459	26 859
Operating leases	9 578	10 769	10 036	11 259	10 131	9 879	10 818	11 358	11 982
Property payments	355 217	379 043	443 081	477 967	524 966	520 134	560 178	588 187	620 537
Transport provided: Departmental activity	14	74	857	392	566	512	556	583	615
Travel and subsistence	5 118	4 561	3 123	3 882	2 501	2 231	2 490	2 616	2 760
Training and development	48	-	8	-	-	-	-	-	-
Operating payments	5 851	7 085	3 717	5 383	2 525	2 547	2 694	2 829	2 983
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	41	3	-	-	-	-	-	-	-
Interest and rent on land	143	920	292	4	1 807	2 347	4	4	4
Interest	143	920	292	4	1 807	2 347	4	4	4
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	124 026	134 412	193 032	143 360	240 139	277 693	225 447	228 509	246 490
Provinces and municipalities	-	-	101	-	-	-	-	-	-
Provinces	-	-	101	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	101	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	64	44	127	83	118	198	88	93	98
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	64	44	127	83	118	198	88	93	98
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	10	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	10	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	10	-	-	-	-	-	-	-
Non-profit institutions	31 646	28 255	32 557	34 843	34 843	27 468	5 169	5 479	5 643
Households	92 316	106 103	160 247	108 434	205 178	250 027	220 190	222 937	240 749
Social benefits	46 755	37 468	31 891	29 434	37 427	31 642	31 190	32 937	34 749
Other transfers to households	45 561	68 635	128 356	79 000	167 751	218 385	189 000	190 000	206 000
Payments for capital assets	32 459	30 385	8 655	35 868	115 868	90 646	117 136	142 272	150 097
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	32 459	30 385	8 655	35 868	115 868	90 646	117 136	142 272	150 097
Transport equipment	7 228	2 929	-	17 000	17 000	17 000	20 304	21 273	22 443
Other machinery and equipment	25 231	27 456	8 655	18 868	98 868	73 646	96 832	120 999	127 654
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	5	2 419	-	-	-	-	-	-	-
Total	8 473 425	9 214 364	9 822 915	10 612 363	10 622 756	10 728 960	11 232 418	11 847 092	12 747 510

Table 7.G : Payments and estimates by economic classification: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	3 774 252	4 092 468	4 472 417	4 547 518	4 570 316	4 661 622	4 805 919	5 116 860	5 597 039
Compensation of employees	2 135 330	2 331 335	2 492 410	2 689 663	2 666 039	2 648 995	2 843 834	3 086 384	3 410 817
Salaries and wages	1 866 714	2 028 900	2 171 611	2 343 212	2 322 486	2 310 593	2 479 320	2 689 111	2 971 684
Social contributions	268 616	302 435	320 799	346 451	343 553	338 402	364 514	397 273	439 133
Goods and services	1 638 596	1 761 005	1 979 967	1 857 855	1 904 277	2 012 626	1 962 085	2 030 476	2 186 222
Administrative fees	-	9	22	17	28	21	28	29	30
Advertising	1 070	855	912	848	687	791	783	822	867
Minor assets	462	331	531	742	699	677	696	731	771
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	10	4	(112)	3	2	2	2	2	2
Communication (G&S)	5 307	5 526	6 413	6 943	6 912	6 298	7 299	7 664	8 085
Computer services	-	-	3 020	-	3 508	6 923	6 948	7 295	7 696
Cons. and prof. serv.: Business and advisory services	-	-	-	-	-	21	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	108 276	269 539	191 888	243 466	233 659	219 135	209 442	242 075
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 244	1 556	5 118	2 544	-	2 206	3 101	3 256	3 435
Contractors	9 802	11 038	23 516	30 032	29 721	33 824	39 239	51 201	54 653
Agency and support / outsourced services	777 818	864 116	769 991	683 920	673 914	736 608	745 027	773 778	804 361
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	932	940	786	869	728	769	792	832	878
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	314	2 042	2 216	1 590	1 514	1 824	1 595	1 674	1 766
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	7 737	7 548	6 981	9 540	7 816	7 440	7 141	7 498	7 910
Inventory: Fuel, oil and gas	35 111	32 803	35 481	41 422	23 488	20 632	23 512	24 688	26 046
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	686	279	174	106	116	112	122	128	135
Inventory: Medical supplies	492 738	484 465	505 182	523 310	525 069	562 951	508 440	519 129	572 070
Inventory: Medicine	185 667	118 397	215 791	216 397	216 916	234 018	220 562	235 761	258 590
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	652	1 420	1 247	1 152	22 373	20 887	23 149	24 306	25 643
Consumable supplies	26 866	26 594	25 668	32 733	9 702	9 724	10 219	10 730	11 363
Consumable: Stationery, printing and office supplies	5 281	3 707	3 775	4 134	3 790	3 906	4 375	4 594	4 847
Operating leases	732	959	956	1 144	1 056	1 269	1 441	1 513	1 596
Property payments	83 900	88 728	100 827	106 358	130 778	126 300	136 528	143 354	151 238
Transport provided: Departmental activity	1	14	1	-	-	-	-	-	-
Travel and subsistence	868	431	590	509	775	702	790	830	879
Training and development	78	-	-	-	-	-	-	-	-
Operating payments	1 320	967	1 342	1 654	1 219	1 062	1 161	1 219	1 286
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	326	128	40	-	-	1	-	-	-
Interest	326	128	40	-	-	1	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	40 875	30 432	48 533	27 060	11 696	10 883	27 715	39 267	50 877
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	51	52	53	60	119	119	63	67	71
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	51	52	53	60	119	119	63	67	71
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	40 824	30 380	48 480	27 000	11 577	10 764	27 652	39 200	50 806
Social benefits	14 391	11 372	11 697	12 000	10 947	10 534	12 652	13 360	14 095
Other transfers to households	26 433	19 008	36 783	15 000	630	230	15 000	25 840	36 711
Payments for capital assets	2 673	2 029	13 207	7 000	99 566	83 423	122 359	57 771	66 405
Buildings and other fixed structures	-	-	2 000	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	2 000	-	-	-	-	-	-
Machinery and equipment	2 673	2 029	11 207	7 000	99 566	83 423	122 359	57 771	66 405
Transport equipment	421	598	-	1 000	1 000	1 000	1 029	1 087	1 147
Other machinery and equipment	2 252	1 431	11 207	6 000	98 566	82 423	121 330	56 684	65 258
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 817 800	4 124 929	4 534 157	4 581 578	4 681 578	4 755 928	4 955 993	5 213 898	5 714 321

Table 7.H : Payments and estimates by economic classification: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	778 344	773 468	887 101	952 340	946 604	941 989	994 094	1 056 577	1 148 152
Compensation of employees	722 027	721 247	821 215	877 206	890 053	883 289	918 016	976 837	1 064 266
Salaries and wages	687 353	685 882	782 713	836 037	851 381	843 655	799 301	850 529	926 640
Social contributions	34 674	35 365	38 502	41 169	38 672	39 634	118 715	126 308	137 626
Goods and services	56 317	52 219	65 883	75 134	56 551	58 700	76 078	79 740	83 886
Administrative fees	-	371	516	565	902	664	610	641	675
Advertising	144	76	106	50	129	160	181	190	200
Minor assets	530	206	192	352	443	827	613	643	675
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	3 696	2 438	1 854	2 357	2 174	1 259	2 585	2 714	2 850
Catering: Departmental activities	175	413	388	409	197	381	200	211	222
Communication (G&S)	948	697	753	795	745	744	140	147	154
Computer services	45	138	191	-	-	-	-	-	-
Cons. and prof. serv.: Business and advisory services	34	53	12	13	-	18	50	53	56
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	9	69	-	-	-	1	1	1	1
Contractors	1	2	2	7	7	6	7	7	7
Agency and support / outsourced services	59	22	11	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	2 320	2 361	2 547	1 891	2 752	3 099	3 766	3 996	4 234
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	128	19	18	210	191	200	210	221
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	126	14	15	-	-	-	-	-
Inventory: Learner and teacher support material	27	170	222	1 500	1 907	567	-	-	-
Inventory: Materials and supplies	51	34	17	25	218	216	350	369	388
Inventory: Medical supplies	413	139	75	76	203	6	25	27	29
Inventory: Medicine	-	-	-	-	-	15	-	-	-
Medsas inventory interface	3	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	388	216	345	363	381
Consumable supplies	1 373	1 376	1 352	1 596	801	688	162	169	178
Consumable: Stationery, printing and office supplies	1 486	2 049	1 824	3 325	2 732	3 079	3 724	3 874	4 084
Operating leases	1 273	1 402	1 337	1 663	2 958	1 224	1 247	1 310	1 376
Property payments	6 122	7 330	6 591	7 718	8 884	8 526	9 514	9 991	10 490
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	25 585	22 344	34 296	37 960	26 296	28 297	32 000	33 600	35 281
Training and development	10 091	9 151	12 866	14 554	4 371	7 732	18 841	19 629	20 709
Operating payments	1 199	749	298	234	234	437	1 118	1 175	1 234
Venues and facilities	733	375	400	11	-	347	399	420	441
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	2	3	-	-	-	-	-	-
Interest	-	2	3	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	238 187	285 220	313 940	282 631	287 832	315 739	260 659	215 310	154 186
Provinces and municipalities	-	-	-	-	15	15	-	-	-
Provinces	-	-	-	-	15	15	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	15	15	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	15 768	18 863	19 842	19 842	18 850	18 850	20 868	22 036	23 248
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	15 768	18 863	19 842	19 842	18 850	18 850	20 868	22 036	23 248
Higher education institutions	16	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	222 403	266 357	294 098	262 789	268 967	296 874	239 791	193 274	130 938
Social benefits	2 324	3 632	2 135	2 100	3 092	3 929	2 234	2 358	2 488
Other transfers to households	220 079	262 725	291 963	260 689	265 875	292 945	237 557	190 916	128 450
Payments for capital assets	2 412	99	33	6 712	7 247	5 458	9 597	9 998	10 411
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 412	99	33	6 712	7 247	5 458	9 597	9 998	10 411
Transport equipment	2 189	-	-	3 000	3 000	3 000	5 628	5 806	5 988
Other machinery and equipment	223	99	33	3 712	4 247	2 458	3 969	4 192	4 423
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	6	7	-	-	-	-	-	-	-
Total	1 018 949	1 058 794	1 201 074	1 241 683	1 241 683	1 263 186	1 264 350	1 281 885	1 312 749

Table 7.1 : Payments and estimates by economic classification: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	147 452	165 637	268 086	287 608	216 363	209 954	298 086	315 439	336 189
Compensation of employees	84 524	90 967	94 283	152 176	108 440	103 686	162 692	172 467	185 352
Salaries and wages	70 109	74 205	77 184	126 115	89 960	85 351	136 234	144 583	155 366
Social contributions	14 415	16 762	17 099	26 061	18 480	18 335	26 458	27 884	29 986
Goods and services	62 928	74 670	173 803	135 432	107 923	106 267	135 394	142 972	150 837
Administrative fees	-	1	1	5	-	-	6	6	6
Advertising	79	59	45	93	38	35	117	123	129
Minor assets	31	117	13	161	194	85	213	225	237
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	417	299	895	1 226	1 067	1 064	1 526	1 606	1 688
Computer services	-	-	-	2 130	-	-	2 258	2 384	2 515
Cons. and prof. serv.: Business and advisory services	7	(4)	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	596	508	10	455	-	-	476	503	531
Agency and support / outsourced services	-	-	-	172	-	-	5 164	5 449	5 749
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	4 319	4 367	4 270	3 982	4 933	4 425	5 071	5 326	5 593
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	161	849	859	592	864	765	1 252	1 315	1 382
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3 705	2 466	4 156	8 220	17 484	18 330	18 200	19 110	20 066
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	389	393	103	169	422	336	401	422	444
Inventory: Medical supplies	5 410	10 264	4 464	13 029	13 592	10 968	12 509	13 225	13 968
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	168	-	-	43 708	44 364	39 070	41 024	43 076
Consumable supplies	6 218	33 099	134 686	53 316	210	6	3 495	3 691	3 894
Consumable: Stationery, printing and office supplies	192	49	179	959	260	207	1 140	1 202	1 266
Operating leases	110	125	101	464	114	124	531	560	590
Property payments	11 684	11 006	13 601	22 801	16 418	16 854	24 589	26 344	28 125
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	116	78	60	118	64	71	176	186	196
Training and development	1	-	-	-	-	-	-	-	-
Operating payments	29 488	10 826	10 360	27 540	8 555	8 633	19 200	20 271	21 382
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	5	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	1	-	-	-
Interest	-	-	-	-	-	1	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 264	244	636	696	777	988	737	778	821
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 264	244	636	696	777	988	737	778	821
Social benefits	1 264	244	636	696	777	988	737	778	821
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 192	214	46	5 650	12 214	10 534	14 817	6 142	6 480
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 192	214	46	5 650	12 214	10 534	14 817	6 142	6 480
Transport equipment	3 154	136	-	4 750	4 750	4 750	4 878	5 150	5 434
Other machinery and equipment	38	78	46	900	7 464	5 784	9 939	992	1 046
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	151 908	166 095	268 768	293 954	229 354	221 476	313 640	322 359	343 490

Table 7.J : Payments and estimates by economic classification: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	379 132	375 853	419 726	460 421	432 369	431 305	496 246	547 580	621 667
Compensation of employees	24 158	33 986	43 022	51 400	55 096	57 296	58 496	51 346	53 397
Salaries and wages	23 804	33 243	41 823	49 520	53 285	55 346	56 376	49 457	51 357
Social contributions	354	743	1 199	1 880	1 811	1 950	2 120	1 889	2 040
Goods and services	354 974	341 867	376 704	409 021	377 273	374 009	437 750	496 234	568 270
Administrative fees	-	2	7	3	3	3	-	-	-
Advertising	-	228	-	-	-	-	-	-	-
Minor assets	11 254	11 316	3 964	2 587	13 986	1 574	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	4	53	-	-	-	-	-	-	-
Computer services	-	211	-	-	-	-	-	-	-
Cons. and prof. serv.: Business and advisory services	13 834	2 590	157	-	61	61	-	-	-
Infrastructure and planning	812	-	61	-	-	-	-	2 112	2 228
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	528	-	-	-	-	-	-
Contractors	89 897	82 313	109 662	123 819	5 889	5 777	-	-	-
Agency and support / outsourced services	321	-	-	-	-	22	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 923	-	17	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	48	205	34	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	7	7	-	-	-
Inventory: Materials and supplies	3 177	4 685	1 403	2 500	1 601	2 037	-	-	-
Inventory: Medical supplies	2 790	12 749	1 403	1 300	-	196	-	-	-
Inventory: Medicine	-	28	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	34 921	32 034	31 187	11 800	8 139	9 946	33 450	18 532	19 551
Consumable: Stationery, printing and office supplies	5	160	71	12	6	6	220	220	232
Operating leases	75 684	87 257	83 109	100 000	99 184	102 633	98 421	98 541	98 653
Property payments	119 982	107 175	144 797	165 000	247 297	250 551	305 659	373 037	443 605
Transport provided: Departmental activity	-	-	-	-	-	-	-	3 792	4 001
Travel and subsistence	194	561	302	2 000	1 100	1 192	-	-	-
Training and development	-	12	1	-	-	-	-	-	-
Operating payments	-	288	1	-	-	4	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	128	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	37	20 000	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	20 000	-	-	-	-	-	-	-
Households	37	-	-	-	-	-	-	-	-
Social benefits	37	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 299 868	1 121 765	1 000 849	1 196 107	1 025 609	1 084 422	1 032 410	980 633	837 585
Buildings and other fixed structures	1 206 295	1 052 053	908 917	819 107	923 450	969 867	963 192	743 360	646 960
Buildings	1 206 295	1 047 225	908 917	819 107	923 450	969 867	963 192	743 360	646 960
Other fixed structures	-	4 828	-	-	-	-	-	-	-
Machinery and equipment	93 573	69 712	91 932	377 000	102 159	114 555	69 218	237 273	190 625
Transport equipment	1 891	-	-	-	-	-	-	-	-
Other machinery and equipment	91 682	69 712	91 932	377 000	102 159	114 555	69 218	237 273	190 625
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 679 037	1 517 618	1 420 575	1 656 528	1 457 978	1 515 727	1 528 656	1 528 213	1 459 252

Table 7.K : Payments and estimates by economic classification: Conditional grants

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	5 042 734	5 888 705	6 398 715	7 139 577	6 858 313	7 026 177	7 973 992	8 525 723	9 251 125
Compensation of employees	3 000 837	3 202 757	3 483 965	3 843 543	3 201 440	3 190 602	2 886 897	3 069 974	3 304 570
Salaries and wages	2 661 715	2 827 631	3 083 069	3 340 513	2 783 900	2 784 260	2 554 539	2 692 500	2 897 992
Social contributions	339 122	375 126	400 896	503 030	417 540	406 342	332 358	377 474	406 578
Goods and services	2 041 896	2 685 948	2 914 750	3 296 034	3 656 873	3 835 575	5 087 095	5 455 749	5 946 555
Administrative fees	403	486	853	689	523	574	120	127	134
Advertising	3 831	18 055	14 256	6 466	6 262	12 341	40 030	42 272	44 595
Minor assets	6 736	10 534	668	18 904	14 003	14 027	3 985	4 208	4 439
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	825	2 342	1 081	1 484	300	272	2 630	2 777	2 929
Communication (G&S)	321	335	12 217	347	319	335	425	449	474
Computer services	-	-	4 473	-	-	-	-	-	-
Cons. & prof. serv.: Business and advisory services	15 700	3 108	394	-	-	-	1 350	1 500	1 500
Infrastructure and planning	-	-	-	2 000	191	191	2 000	2 112	2 112
Laboratory services	601 156	550 400	512 378	820 000	929 668	999 173	1 201 000	1 203 897	1 269 204
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	409	-	-	-	-	-	-
Contractors	6 530	80 900	129 235	150 753	59 309	53 719	63 227	65 136	68 655
Agency and support / outsourced services	5 948	5 469	4 875	3 604	4 306	4 586	5 243	5 537	5 842
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	154	36	171	32	248	405	110	116	122
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 953	-	31	-	15	13	-	-	-
Inventory: Farming supplies	-	-	2	-	-	-	-	-	-
Inventory: Food and food supplies	1 949	1 641	1 582	2 125	31	-	-	-	-
Inventory: Fuel, oil and gas	4 393	4 287	4 239	4 251	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	2 468	1 362	1 702	2 500	-	-	-	-	-
Inventory: Medical supplies	351 214	354 554	331 203	432 714	523 955	535 996	606 121	628 562	663 133
Inventory: Medicine	929 695	1 410 417	1 693 990	1 639 820	2 007 578	2 104 623	2 816 590	3 122 790	3 504 133
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	7 160	33 935	4 275	18 860	-	-	8 070	8 363	9 483
Consumable supplies	4 883	4 570	36 531	7 000	10 493	10 473	7 213	7 621	7 972
Consumable: Stationery, printing and office supplies	1 172	926	858	4 220	691	702	10 441	10 677	11 252
Operating leases	78 614	93 115	694	885	174	211	469	495	522
Property payments	3 797	91 585	142 709	165 078	89 000	89 000	300 105	330 111	330 117
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	6 817	11 011	9 767	9 114	7 834	6 889	11 042	11 687	12 245
Training and development	1 811	2 745	3 780	-	662	789	1 191	1 258	1 327
Operating payments	4 365	3 795	2 304	5 188	1 311	1 256	5 733	6 056	6 365
Venues and facilities	1	340	53	-	-	-	-	-	-
Rental and hiring	-	-	20	-	-	-	-	-	-
Interest and rent on land	1	-	-	-	-	-	-	-	-
Interest	1	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	64 450	83 438	62 591	123 407	122 546	136 780	137 511	144 817	152 498
Provinces and municipalities	40 000	60 000	40 000	100 000	100 000	116 846	115 000	121 492	128 174
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	40 000	60 000	40 000	100 000	100 000	116 846	115 000	121 492	128 174
Municipalities	40 000	60 000	40 000	100 000	100 000	116 846	115 000	121 492	128 174
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	14 292	13 790	11 454	11 507	11 507	11 321	11 821	12 017	12 678
Households	10 158	9 648	11 137	11 900	11 039	8 613	10 690	11 308	11 646
Social benefits	10 158	9 648	11 137	11 900	11 039	8 613	10 690	11 308	11 646
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 325 989	929 606	862 042	822 534	1 104 970	1 102 170	992 102	910 234	978 008
Buildings and other fixed structures	1 171 045	908 861	801 938	783 994	919 607	919 607	831 245	585 962	552 125
Buildings	1 171 045	908 861	801 938	783 994	919 607	919 607	831 245	585 962	552 125
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	154 944	20 745	60 104	38 540	185 363	182 563	160 857	324 272	425 883
Transport equipment	68 729	4 038	31 200	-	20 004	20 004	-	-	-
Other machinery and equipment	86 215	16 707	28 904	38 540	165 359	162 559	160 857	324 272	425 883
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	6 433 173	6 901 749	7 323 348	8 085 518	8 085 829	8 265 127	9 103 605	9 580 774	10 381 631

Table 7.L : Payments and estimates by economic classification: Health Prof. Training and Dev. Grant (Prog 4: Provincial Hospital Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	292 847	299 898	312 377	331 944	331 944	331 944	349 500	370 863	391 260
Compensation of employees	292 837	299 843	311 870	331 944	331 444	331 444	349 000	370 333	390 730
Salaries and wages	275 614	285 287	294 875	288 792	288 292	288 292	303 629	322 189	339 934
Social contributions	17 223	14 556	16 995	43 152	43 152	43 152	45 371	48 144	50 796
Goods and services	10	55	507	-	500	500	500	530	530
Advertising	-	-	-	-	25	25	30	32	32
Travel and subsistence	10	55	48	-	50	50	50	53	53
Operating payments	-	-	459	-	425	425	420	445	445
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	1 697	-	-
Machinery and equipment	-	-	-	-	-	-	1 697	-	-
Other machinery and equipment	-	-	-	-	-	-	1 697	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	292 847	299 898	312 377	331 944	331 944	331 944	351 197	370 863	391 260

Table 7.M : Payments and estimates by economic classification: Health Facility Revitalisation grant (Prog. 8: Health Facilities Management)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	112 438	307 476	296 947	346 821	130 389	130 389	330 543	362 857	364 342
Compensation of employees	4 613	9 752	14 163	22 000	26 300	26 300	25 000	27 000	28 485
Salaries and wages	4 265	9 016	12 967	20 460	24 271	24 271	23 250	25 250	26 735
Social contributions	348	736	1 196	1 540	2 029	2 029	1 750	1 750	1 750
Goods and services	107 825	297 724	282 784	324 821	104 089	104 089	305 543	335 857	335 857
Administrative fees	-	-	1	-	3	3	-	-	-
Advertising	-	175	-	-	-	-	-	-	-
Minor assets	6 712	8 163	39	15 000	13 986	13 986	-	-	-
Communication (G&S)	-	-	81	-	-	-	-	-	-
Cons. & prof. serv.: Business and advisory services	13 194	994	143	-	-	-	-	-	-
Infrastructure and planning	-	-	-	2 000	-	-	2 000	2 112	2 112
Legal services	-	-	409	-	-	-	-	-	-
Contractors	14	73 680	109 037	123 819	-	-	-	-	-
Fleet services (including government motor transport)	-	-	48	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 923	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	2 272	1 322	884	2 500	-	-	-	-	-
Inventory: Medical supplies	1 315	4 165	38	1 300	-	-	-	-	-
Inventory: Other supplies	3 000	29 492	-	14 946	-	-	2 223	2 363	2 363
Consumable supplies	-	-	30 310	-	-	-	1 100	1 162	1 162
Consumable: Stationery, printing and office supplies	-	143	-	220	-	-	220	220	220
Operating leases	75 524	87 256	-	36	-	-	-	-	-
Property payments	3 686	91 493	141 559	165 000	89 000	89 000	300 000	330 000	330 000
Travel and subsistence	184	541	235	-	1 100	1 100	-	-	-
Training and development	-	12	-	-	-	-	-	-	-
Operating payments	-	288	-	-	-	-	-	-	-
Transfers and subsidies	37	-	-	-	-	-	-	-	-
Households	37	-	-	-	-	-	-	-	-
Social benefits	37	-	-	-	-	-	-	-	-
Payments for capital assets	1 249 994	924 521	825 046	802 534	1 018 966	1 018 966	871 937	790 192	852 125
Buildings and other fixed structures	1 171 045	908 861	801 938	783 994	916 807	916 807	831 245	585 962	552 125
Buildings	1 171 045	908 861	801 938	783 994	916 807	916 807	831 245	585 962	552 125
Machinery and equipment	78 949	15 660	23 108	18 540	102 159	102 159	40 692	204 230	300 000
Transport equipment	1 891	-	-	-	-	-	-	-	-
Other machinery and equipment	77 058	15 660	23 108	18 540	102 159	102 159	40 692	204 230	300 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 362 469	1 231 997	1 121 993	1 149 355	1 149 355	1 149 355	1 202 480	1 153 049	1 216 467

Table 7.N : Payments and estimates by economic classification: National Tertiary Services grant (Prog. 5: Central Hospital Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 491 969	1 525 249	1 588 894	1 689 866	1 634 466	1 634 466	1 686 906	1 780 942	1 902 461
Compensation of employees	1 190 837	1 208 111	1 271 137	1 333 418	835 146	835 146	883 535	945 382	1 022 904
Salaries and wages	1 055 283	1 064 268	1 128 977	1 160 074	726 577	726 577	768 675	822 482	889 926
Social contributions	135 554	143 843	142 160	173 344	108 569	108 569	114 860	122 900	132 978
Goods and services	301 132	317 138	317 757	356 448	799 320	799 320	803 371	835 560	879 557
Administrative fees	403	61	4	159	-	-	-	-	-
Minor assets	-	-	227	-	-	-	-	-	-
Laboratory services	-	-	22 031	-	161 740	161 740	171 000	181 260	190 323
Contractors	6 516	7 220	8 778	6 934	8 500	8 500	12 000	12 720	13 356
Agency and support / outsourced services	2 344	1 922	1 860	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	31	-	-	-	-	-	-
Inventory: Food and food supplies	1 949	1 638	1 582	2 125	-	-	-	-	-
Inventory: Fuel, oil and gas	4 393	4 287	4 239	4 251	-	-	-	-	-
Inventory: Medical supplies	241 533	254 318	226 427	287 194	448 754	448 754	433 435	443 428	467 817
Inventory: Medicine	38 889	42 841	46 365	51 038	176 000	176 000	186 071	197 235	207 097
Inventory: Other supplies	4 160	4 443	4 275	3 914	-	-	-	-	-
Consumable supplies	-	-	-	-	4 116	4 116	815	864	907
Consumable: Stationery, printing and office supplies	-	-	92	-	-	-	-	-	-
Operating leases	278	376	435	531	-	-	-	-	-
Property payments	-	-	1 150	-	-	-	-	-	-
Travel and subsistence	326	32	76	114	210	210	50	53	57
Operating payments	341	-	185	188	-	-	-	-	-
Transfers and subsidies	4 458	4 974	5 540	6 400	4 800	4 800	4 873	5 165	5 165
Households	4 458	4 974	5 540	6 400	4 800	4 800	4 873	5 165	5 165
Social benefits	4 458	4 974	5 540	6 400	4 800	4 800	4 873	5 165	5 165
Payments for capital assets	-	-	1 852	-	57 000	57 000	102 870	109 042	114 498
Machinery and equipment	-	-	1 852	-	57 000	57 000	102 870	109 042	114 498
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	1 852	-	57 000	57 000	102 870	109 042	114 498
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 496 427	1 530 223	1 596 286	1 696 266	1 696 266	1 696 266	1 794 649	1 895 149	2 022 124

Table 7.O : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Prov. (Prog. 2: District Health Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	2 580	13 000	13 000	47 058	47 058	47 058	24 182	-	-
Compensation of employees	2 052	13 000	13 000	47 058	45 758	45 758	24 135	-	-
Salaries and wages	2 052	13 000	12 984	47 058	45 758	45 758	20 997	-	-
Social contributions	-	-	16	-	-	-	3 138	-	-
Goods and services	528	-	-	-	1 300	1 300	47	-	-
Inventory: Medical supplies	528	-	-	-	1 300	1 300	-	-	-
Travel and subsistence	-	-	-	-	-	-	47	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 580	13 000	13 000	47 058	47 058	47 058	24 182	-	-

Table 7.P : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog. 8: Health Facilities Management)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	2 581	3 682	7 122	8 400	8 400	8 400	8 896	-	-
Compensation of employees	2 581	3 682	7 122	8 400	8 400	8 400	8 896	-	-
Salaries and wages	2 581	3 681	7 121	8 400	8 392	8 392	8 896	-	-
Social contributions	-	1	1	-	8	8	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 581	3 682	7 122	8 400	8 400	8 400	8 896	-	-

Table 7.Q : Payments and estimates by economic classification: Comprehensive HIV, AIDS and TB grant (Prog. 2: District Health Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	3 131 885	3 732 255	4 159 117	4 715 488	4 705 745	4 873 609	5 532 587	5 967 566	6 546 955
Compensation of employees	1 506 390	1 666 838	1 865 079	2 100 723	1 954 392	1 943 554	1 594 018	1 724 756	1 859 839
Salaries and wages	1 320 445	1 450 904	1 624 611	1 815 729	1 690 610	1 690 970	1 426 779	1 520 076	1 638 785
Social contributions	185 945	215 934	240 468	284 994	263 782	252 584	167 239	204 680	221 054
Goods and services	1 625 494	2 065 417	2 294 038	2 614 765	2 751 353	2 930 055	3 938 569	4 242 810	4 687 116
Administrative fees	-	422	840	530	520	571	120	127	134
Advertising	3 804	17 880	14 252	6 466	6 237	12 316	40 000	42 240	44 563
Minor assets	19	200	18	3 904	17	41	3 985	4 208	4 439
Catering: Departmental activities	808	2 342	894	1 484	300	272	2 630	2 777	2 929
Communication (G&S)	321	335	318	347	319	335	425	449	474
Cons. & prof. serv.: Business and advisory services	7	7	-	-	-	-	-	-	-
Laboratory services	601 156	550 400	490 347	820 000	767 928	837 433	1 030 000	1 022 637	1 078 881
Contractors	-	-	11 416	20 000	50 809	45 219	51 227	52 416	55 299
Agency and support / outsourced services	3 604	3 547	3 015	3 604	4 306	4 586	5 243	5 537	5 842
Fleet services (including government motor transport)	154	36	123	32	248	405	110	116	122
Inventory: Clothing material and accessories	-	-	-	-	15	13	-	-	-
Inventory: Farming supplies	-	-	2	-	-	-	-	-	-
Inventory: Food and food supplies	-	3	-	-	31	-	-	-	-
Inventory: Materials and supplies	-	-	19	-	-	-	-	-	-
Inventory: Medical supplies	107 811	96 071	104 556	144 220	73 901	85 942	172 686	185 134	195 316
Inventory: Medicine	890 806	1 367 576	1 647 625	1 588 782	1 831 578	1 928 623	2 600 000	2 893 563	3 263 661
Consumable supplies	4 883	4 570	6 221	7 000	6 377	6 357	5 298	5 595	5 903
Consumable: Stationery, printing and office supplies	398	711	570	4 000	571	582	10 221	10 457	11 032
Operating leases	2 812	5 483	215	318	174	211	469	495	522
Property payments	88	92	-	78	-	-	105	111	117
Travel and subsistence	5 329	10 288	9 222	9 000	6 474	5 529	9 546	10 081	10 635
Training and development	603	1 830	2 725	-	662	789	1 191	1 258	1 327
Operating payments	2 891	3 284	1 660	5 000	886	831	5 313	5 611	5 920
Venues and facilities	-	340	-	-	-	-	-	-	-
Interest and rent on land	1	-	-	-	-	-	-	-	-
Interest	1	-	-	-	-	-	-	-	-
Transfers and subsidies	59 955	78 464	57 051	117 007	117 746	131 980	132 638	139 652	147 333
Municipalities	40 000	60 000	40 000	100 000	100 000	116 846	115 000	121 492	128 174
Municipalities	40 000	60 000	40 000	100 000	100 000	116 846	115 000	121 492	128 174
Non-profit institutions	14 292	13 790	11 454	11 507	11 507	11 321	11 821	12 017	12 678
Households	5 663	4 674	5 597	5 500	6 239	3 813	5 817	6 143	6 481
Social benefits	5 663	4 674	5 597	5 500	6 239	3 813	5 817	6 143	6 481
Payments for capital assets	66 030	2 736	31 357	20 000	29 004	26 204	12 000	7 000	7 385
Buildings and other fixed structures	-	-	-	-	2 800	2 800	-	-	-
Buildings	-	-	-	-	2 800	2 800	-	-	-
Machinery and equipment	66 030	2 736	31 357	20 000	26 204	23 404	12 000	7 000	7 385
Transport equipment	65 744	2 735	31 200	-	20 004	20 004	-	-	-
Other machinery and equipment	286	1	157	20 000	6 200	3 400	12 000	7 000	7 385
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 257 870	3 813 455	4 247 525	4 852 495	4 852 495	5 031 793	5 677 225	6 114 218	6 701 673

Table 7.R : Payments and estimates by economic classification: Human Papillomavirus Vaccine grant (Prog. 2: District Health Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	41 378	43 495	46 107
Compensation of employees	-	-	-	-	-	-	2 313	2 503	2 612
Salaries and wages	-	-	-	-	-	-	2 313	2 503	2 612
Goods and services	-	-	-	-	-	-	39 065	40 992	43 495
Cons. & prof. serv.: Business and advisory services	-	-	-	-	-	-	1 350	1 500	1 500
Inventory: Medicine	-	-	-	-	-	-	30 519	31 992	33 375
Inventory: Other supplies	-	-	-	-	-	-	5 847	6 000	7 120
Travel and subsistence	-	-	-	-	-	-	1 349	1 500	1 500
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	3 598	4 000	4 000
Machinery and equipment	-	-	-	-	-	-	3 598	4 000	4 000
Other machinery and equipment	-	-	-	-	-	-	3 598	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	44 976	47 495	50 107

Table 7.S : Payments and estimates by economic classification: National Health Insurance grant (Prog. 2: District Health Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	8 434	7 145	21 258	-	311	311	-	-	-
Compensation of employees	1 527	1 531	1 594	-	-	-	-	-	-
Salaries and wages	1 475	1 475	1 534	-	-	-	-	-	-
Social contributions	52	56	60	-	-	-	-	-	-
Goods and services	6 907	5 614	19 664	-	311	311	-	-	-
Administrative fees	-	3	8	-	-	-	-	-	-
Advertising	27	-	4	-	-	-	-	-	-
Minor assets	5	2 171	384	-	-	-	-	-	-
Catering: Departmental activities	17	-	187	-	-	-	-	-	-
Communication (G&S)	-	-	11 818	-	-	-	-	-	-
Computer services	-	-	4 473	-	-	-	-	-	-
Cons. and prof. serv.: Business and advisory services	2 499	2 107	251	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	191	191	-	-	-
Contractors	-	-	4	-	-	-	-	-	-
Inventory: Clothing material and accessories	30	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	196	40	799	-	-	-	-	-	-
Inventory: Medical supplies	27	-	182	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	774	72	196	-	120	120	-	-	-
Operating leases	-	-	44	-	-	-	-	-	-
Property payments	23	-	-	-	-	-	-	-	-
Travel and subsistence	968	95	186	-	-	-	-	-	-
Training and development	1 208	903	1 055	-	-	-	-	-	-
Operating payments	1 133	223	-	-	-	-	-	-	-
Venues and facilities	-	-	53	-	-	-	-	-	-
Rental and hiring	-	-	20	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	9 965	2 349	3 787	-	-	-	-	-	-
Machinery and equipment	9 965	2 349	3 787	-	-	-	-	-	-
Transport equipment	1 094	1 303	-	-	-	-	-	-	-
Other machinery and equipment	8 871	1 046	3 787	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	18 399	9 494	25 045	-	311	311	-	-	-

Table 7.T : Summary of transfers to local government (Municipal clinics)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2019/20	2018/19	2020/21
A KZN2000 eThekweni	105 000	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN212 uMdoni	-	-	-	-	-	-	-	-	-
B KZN213 uMzombe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	673	-	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	673	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpindle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	534	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	534	-	-	-	-	-	-	-	-
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	746	-	-	-	-	-	-	-	-
B KZN241 eNdumeni	746	-	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 AbaQulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 uMhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	10 451	-	-	-	-	-	-	-	-
B KZN281 uMfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	10 451	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 iMthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	117 404	129 600	154 750	193 000	204 284	219 657	213 394	225 396	237 793

VOTE 8

Human Settlements

Operational budget	R3 647 237 000
MEC remuneration	Nil
Total amount to be appropriated	R3 647 237 000
Responsible MEC	MEC for Public Works and Human Settlements ¹
Administering department	Human Settlements
Accounting officer	Head: Human Settlements

1. Overview

Vision

The vision of the department is: *Together breaking new ground to achieve decent, integrated and sustainable human settlement patterns.*

Mission statement

The mission of the Department of Human Settlements (DOHS) is: *To deliver suitably located housing opportunities and security of tenure over the next five years through collaborative partnership, legislative planning processes and empowerment of women in construction.*

Strategic goals and objectives

Strategic policy direction: By focussing on its role of achieving decent, integrated and sustainable housing opportunities and security of tenure, the department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens.

The department's strategic objectives are summarised as follows:

- Ensuring the financial viability of the department.
- Provision of skilled human resources.
- Accelerating urban housing opportunities.
- Accelerating the creation of rental housing opportunities, and implementing projects that ensure spatial, social and economic integration.
- Identifying and implementing rectification projects to ensure transfers and home ownership.

Core functions

The following core functions have been identified as key for the attainment of the strategic objectives:

- To promote the provision of housing development.
- To promote the provision of affordable housing and essential services.
- To manage, control and maintain the immovable assets of the department.
- To administer and manage housing subsidies of targeted groups.
- To research, establish, monitor and implement policies within the National Housing Policy Framework.

¹ The salary of the MEC of Human Settlements is budgeted for under Vote 14: Public Works.

- To formulate a Provincial Housing Development Plan for the province.
- To facilitate and create housing institutions.
- To provide legal advice on land and environmental issues.
- To administer and co-ordinate the Community Residential Unit (CRU) programme.
- To administer the clearance of slums in KZN.
- To capacitate housing stakeholders.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Housing Act (Act No. 107 of 1997)
- Housing Consumers Protection Measures Act (Act No. 95 of 1998, amended by Act No. 27 of 1999)
- Rental Housing Act (Act No. 50 of 1999)
- Sectional Titles Act (Act No. 95 of 1986, as amended by Acts No. 24 and 29 of 2003)
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act (Act No. 19 of 1998)
- Home Loan and Mortgage Disclosure Act (Act No. 63 of 2000)
- Disestablishment of South African Trust Limited Act (Act No. 26 of 2002)
- Constitutional Court judgment of 2000, on the enforceability of social and economic rights
- KZN Housing Act (Act No. 12 of 1998, as amended)
- Housing Development Schemes for Retired Persons Act (Act No. 65 of 1988, amended by Act No. 20 of 1998)
- National Building Regulations and Building Standards Act (Act No. 103 of 1977)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Housing Consumers Protection Measures Act (Act No. 17 of 2007)
- Social Housing Act (Act No. 16 of 2008)
- Housing Development Agency Act (Act No. 23 of 2008)
- Public Finance Management Act (Act No. 1 of 1999, amended and the Treasury Regulations)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003)
- National Environmental Management Act (Act No. 107 of 1998, amended by Act No. 8 of 2004)
- Communal Land Rights Act (Act No. 11 of 2004)
- Communal Property Associations Act (Act No. 28 of 1996)
- Deeds Registries Act (Act No. 47 of 1937)
- 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)
- Municipal Finance Management Act (Act No. 56 of 2003)
- Corruption Act (Act No. 94 of 2004, as amended)
- Expropriation Act (Act No. 39 of 1951, repealed by Act No. 63 of 1975)
- National Heritage Resources Act (Act No. 25 of 1999)
- Standards Act (Act No. 29 of 1993)
- State Land Disposal Act (Act No. 48 of 1961)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)

2. Review of the 2017/18 financial year

This section provides a review of 2017/18, outlining the main achievements and progress made during the year, as well as providing a brief discussion on challenges and new developments.

Rental Housing Tribunal

The Rental Housing Tribunal component continued to regulate good relationships between tenants and landlords by implementing pre-emptive and pro-active measures. The Tribunal remains a stakeholder to the Social Housing and CRU Provincial Steering Committee, which sits monthly, and all issues, challenges and possible solutions relating to the rental housing programmes are discussed. The department compiled tenant training material which was presented to tenants prior to their occupation of any project. This is an ongoing process conducted in partnership with social housing institutions and municipalities.

The Rental Housing Tribunal, eThekweni Metro, Msunduzi Municipality, as well as the Social Housing and CRU business unit have been engaged in joint tenant induction programmes. These training programmes are meant to capacitate tenants on their rights and obligations, as well as to make them aware of landlord rights. To this end, a total of 34 sessions, covering 711 tenants were conducted.

Community Residential Unit (CRU)

The CRU programme aims to create a sustainable, affordable and secure rental housing option for households earning between R800 and R3 500 per month. The project is either developed or managed on provincial or municipal owned land parcels in order to curb the costs in relation to the construction of CRUs. The department uses its CRU norms and standards to guide the implementation of CRUs to ensure that the department develops viable and sustainable CRU projects within reasonable costs.

During November 2017, the department held a consultative CRU workshop with the communities to review the first five years since the inception of the 2012 to 2017 KZN Rental Housing Strategy. Other specific aims of the workshop were to present and discuss findings on the desktop CRU pipeline assessment project. This is an initiative by the department to undertake a technical assessment on all CRU projects to determine feasibility, communicate policy enhancements affecting CRU projects, as well as discuss future plans and strategies for the long-term management of CRU projects. The department finalised the assessment and packaging of potential projects identified through the engagement process with municipalities.

Informal Settlements Upgrade (ISU)

The department's Informal Settlement Eradication Strategy for 2011 recognised that responses to the challenge of informal settlements need to be multi-pronged, broad-based and inclusive of the urban poor. It also recognised that such responses need to promote more integrated and sustainable human settlements, promote an efficient urban form and optimise scarce land. The strategy therefore acknowledges that a range of different responses are necessary and that there needs to be flexibility to address specific challenges, since settlements are not the same. There are 30 projects under construction, and 10 of these should be completed and closed within the last quarter of 2017/18.

The department has 780 hectares of land in the eThekweni area which it is developing as a new township and the project name is Cornubia (also known as the Integrated Residential Development Programme or IRDP). The intention is to relocate residents of all informal settlements within the Metro to this development. To date, 2 233 houses have been delivered within Cornubia and 1 325 houses were delivered in 2017/18 within the Informal Settlements Upgrade (ISU) programme. The strategic focus for the IRDP has been on the delivery of serviced sites and units that will move families from the informal settlements thus making space for developing the brown ISU. The green field nature of the IRDP instrument allows for better planning for the availability of bulk services. The department also has an anti-invasion strategy which it will use to limit land invasion.

Rural housing development

This programme delivered at a much faster pace than expected throughout all the districts. A total of 8 754 rural houses were delivered by the third quarter. It was originally projected that 7 764 units would be delivered by year-end, but the department is anticipating over-achievement in this regard. Under this programme, only houses are built and thus delays in the provision of bulk services by other government bodies does not cause delays for the department, as these sites already have access to bulk services.

3. Outlook for the 2018/19 financial year

This section looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The main purpose of the department's budget allocation is for the provision of housing to various sectors of the population including rural areas and informal settlements, with the bulk of the funding being provided *via* the Human Settlements Development grant (HSDG). In 2018/19, the department will continue with the provision of housing, as detailed below.

Community Residential Unit (CRU)

The National Minister of Human Settlements has approved an enhancement to the social housing policy and programme that will have an impact on the CRU policy. The new policy enhancement will be effective from 1 April 2018 onwards, and all projects previously planned and approved for establishment of CRUs located within areas newly approved as Provincial Restructuring Zones will now be implemented as social housing projects. CRU projects falling outside the Provincial Restructuring Zones will be retained, and project planning and implementation will proceed going forward.

The department is in consultation with all stakeholders and is looking at alternative construction methods for the construction of CRU projects as a means to curb rising construction cost affecting the delivery on CRU projects across the board and will institute pilot projects in this regard. Municipalities will progressively be capacitated on property management skills for effective and efficient management of all CRU rental stock.

Rental Housing Tribunal

The Rental Housing Tribunal will continue to regulate good relationships between tenants and landlords by implementing pre-emptive and pro-active measures. There is still an increase in the number of complaints lodged by tenants against social housing institutions and, as such, a joint intervention between the Rental Housing Tribunal and the social housing component is still in existence and continues to educate both tenants and social housing institutions about their rights and obligations in terms of the Rental Housing Act.

Informal Settlements Upgrade (ISU)

Continued focus and roll-out of slums clearance projects is a provincial priority. Projects are currently at various stages of the housing delivery cycle. Four projects are 100 per cent completed, namely: Louisiana in the Hibiscus Coast in the Ray Nkonyeni Municipality, Trennance Park in the eThekweni Metro, Franklin in the Greater Kokstad Municipality and Gingindlovu Slums in the uMlalazi Municipality. It is anticipated that these projects will provide alternative and permanent housing for 134 601 families currently living in slums, with 24 522 units expected to be built over the MTEF. In 2018/19, it is expected that some 4 110 units will be completed.

The department will continue with the implementation of the Cornubia IRDP north of Durban as a national priority catalytic project. Over the 2018/19 MTEF, a total of 2 704 units will be built, accommodating the same number of families.

The Enhanced People's Housing Process (EPHP), which is part of a national initiative, provides for community/beneficiary involvement in the construction of their houses, and will result in additional houses being constructed over the medium-term. The EPHP methodology is being piloted within the province in partnership with Habitat for Humanity (an implementing agent in the eThekweni area) in order to ascertain the programme's effectiveness and improvement measures so that this programme can be rolled out for implementation nationally. The two projects that the programme is piloting are at Qiniselani Manyuswa in the eThekweni Metro and the eThekweni special needs projects aimed at communities with old age people, people with disabilities, etc.

Rural housing development

The current requirements demand that all nine provinces comply with the Outcome 8 principles which are in respect of human settlements and improved quality of household life. This means that the department's development goalposts must not only focus on rural priorities, but must strike the required balance in ensuring that Outcome 8 principles are met, hence resulting in a paradigm shift from rural to urban

development. In 2018/19, it is expected that approximately 6 760 units will be completed in areas such as uMzinyathi, Amajuba, Harry Gwala and uMkhanyakude.

4. Reprioritisation

The department prioritised the filling of critical vacant posts such as Chief Director: Human Capital, Deputy Director: Human Resources Development, Project Construction Managers, etc. in line with the approved organisational structure. The department provided for the cost of living adjustment through reprioritisation from savings from vacant funded posts within the current baseline and received an additional R8.336 million in 2020/21 provided by National Treasury for the above-budget wage agreement.

The HSDG allocation was cut severely during the 2018/19 MTEF, due to fiscal consolidation cuts and the creation of two new grants in the Human Settlements sector, namely the Title Deeds Restoration grant (TDRG) and the Emergency Housing grant (held by the National Department of Human Settlements (NDHS)). Reprioritisation was undertaken and the department will thus focus mainly on projects with a greater yield of units in order to achieve the Medium Term Strategic Framework (MTSF) targets. The number of units, sites and housing opportunities across all projects were reduced accordingly as a result of the 2018/19 MTEF budget cut.

5. Procurement

The 2018/19 procurement plan is in the process of being finalised. The department will continue to strengthen its procurement systems focusing on reducing turn-around times when procuring goods and services by means of inviting price quotations and competitive bids. The department will embark on strengthening its control measures, contract management and records management towards an unqualified audit in the area of procurement. The department endeavours to continue to uphold the principles of procurement by ensuring that all contracts are awarded in a manner which is fair, equitable, transparent, competitive and cost effective.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 8.1 indicates the sources of funding for Vote 8 for the period 2014/15 to 2020/21. The budget for 2018/19 is made up of the equitable share of R381.574 million and the HSDG of R3.153 billion, whose aim is to promote the provision of low income housing and essential services. In 2018/19, the department also receives R101.422 million in respect of the TDRG, which is a new grant and R11.484 million in respect of the EPWP Integrated Grant for Provinces.

Table 8.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	326 962	342 630	345 216	360 678	360 678	360 678	381 574	405 533	436 174
Conditional grants	3 509 045	3 550 432	3 139 896	3 483 192	3 683 192	3 683 192	3 265 663	3 382 265	3 621 233
Human Settlements Development grant	3 509 045	3 543 852	3 124 702	3 477 567	3 677 567	3 677 567	3 152 757	3 275 125	3 508 205
Title Deeds Restoration grant	-	-	-	-	-	-	101 422	107 140	113 028
EPWP Integrated Grant for Provinces	-	6 580	15 194	5 625	5 625	5 625	11 484	-	-
Total receipts	3 836 007	3 893 062	3 485 112	3 843 870	4 043 870	4 043 870	3 647 237	3 787 798	4 057 407
Total payments	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407
Surplus/(Deficit) before financing	(37 171)	(237 963)	(43 891)	-	(22 864)	(22 864)	-	-	-
Financing									
of which									
Provincial roll-overs	-	-	-	-	1 372	1 372	-	-	-
Provincial cash resources	22 436	238 285	45 265	-	21 492	21 492	-	-	-
Surplus/(Deficit) after financing	(14 735)	322	1 374	-	-	-	-	-	-

The decrease in the HSDG in 2016/17 is as a result of the department receiving once-off additional funding of R308.377 million in 2015/16 from the NDHS for the fast-tracking of service delivery. Furthermore, the decrease in 2016/17 relates to the revision of all conditional grants by National Treasury. During 2017/18, the HSDG shows growth from the Main to the Adjusted Appropriation due to a Second Adjustments Estimate in respect of an additional amount of R200 million received from NDHS in terms of Section 20 of DORA. These funds were stopped from Gauteng (R150 million), Limpopo (R150 million) and North West (R300 million) in terms of Section 19 of the DORA, 2017 and were allocated to KZN (R200 million), Eastern Cape (R100 million), Mpumalanga (R100 million), Northern Cape (R100 million) and Western Cape (R100 million). This growth was slightly offset by a reduction in the HSDG over the 2017/18 MTEF in respect of some funding being reprioritised to the Social Housing Residential Authority (SHRA) to promote subsidies for social housing, and some funds being reprioritised to assist the Housing Development Agency (HDA) in operationalising catalytic projects.

The department was allocated funding since 2015/16 for the EPWP Integrated Grant for Provinces, with the aim of creating temporary work opportunities and transferring skills to the unemployed. An amount of R11.484 million is allocated in 2018/19, at this stage. The allocation for the EPWP Integrated Grant for Provinces is based on previous years' achievements.

The department is allocated funding for the first time over the 2018/19 MTEF with regard to the TDRG. These funds were previously ring-fenced within the HSDG for the eradication of backlogs in title deeds registration. This new grant is created by shifting funds from the HSDG to ensure that funds allocated for this purpose cannot be utilised for other purposes.

Provincial cash resources in 2014/15 reflect R22.436 million relating to the reallocation of unused funds received from SHRA for the Meadowlands social housing project which was allocated back to the department for the implementation of social housing projects under the Westgate-Grange project. The department over-spent its 2014/15 budget by R14.735 million, mainly as a result of payments in respect of eThekwin Metro arrear rates.

Provincial cash resources in 2015/16 reflect R238.285 million, of which R7.312 million relates to the above-budget 2015 wage agreement. An additional R100 million from provincial cash resources was allocated due to the Provincial Executive Council's decision to provide additional funding for housing initiatives, as well as R130.973 million from the National Housing Finance Corporation (NHFC) and Ithala Development Finance Corporation (Ithala) for various housing projects. At the end of 2014/15, NHFC and Ithala had not completed the projects for which the funding was transferred and therefore had to repay unspent funds, together with interest earned, to the department. These funds were then allocated back to the department in 2015/16 for various housing projects. The department under-spent its 2015/16 budget by a minimal R322 000.

Provincial cash resources in 2016/17 of R45.265 million relate to:

- R1.029 million for the above-budget 2016 wage adjustment.
- R26.015 million being funds returned by Khuboni Shezi Attorneys. These funds were paid into the Provincial Revenue Fund by the attorneys in respect of unspent funds transferred by the department to the attorneys for the purpose of purchasing the Four Seasons Hotel in Durban. This purchase was, however, cancelled and the funds were paid back to the department, together with interest.
- R6.916 million from NHFC for various housing projects. The department transferred funds to the NHFC in 2011/12 in order to assess, administer and manage social housing programmes on behalf of the department. On completion and close-out of each project, the NHFC had to repay any unspent funds, together with interest earned, to the department.
- R19 000 relating to a SARS refund received by the department.
- R11.286 million was received from the National Department of Military Veterans in 2013/14 and 2014/15 and held in a suspense account. These funds were paid into the Provincial Revenue Fund and were thus allocated back to the department for spending on the Military Veterans' Housing Project.

The provincial roll-overs in the 2017/18 Adjusted Appropriation reflect R1.372 million rolled over from 2016/17 in respect of the HSDG. The R1.372 million under-spending against the HSDG relates to funds

returned to the department by FNB at the end of March due to non-registration of units to beneficiaries in respect of the Finance Linked Individual Subsidy Programme (FLISP) subsidy for the Ridgeview Gardens project as a result of delays in receiving rates clearance certificates from the eThekweni Metro. The department appointed conveyancers to finalise the transfer. The transfers relating to the roll-over were finalised and the department is now continuing with other transfers.

Provincial cash resources in the 2017/18 Adjusted Appropriation reflect R21.492 million, of which R2.538 million relates to funds returned from the service provider Stedone Development due to payment duplication on this project and a refund of the duplicated payment amounting to R2.538 million was thus made. The department utilised these funds for renovations of district offices in the King Cetshwayo, uMkhanyakude and uMzinyathi Districts. An additional R18.954 million relates to funds returned by the National Urban Reconstruction and Housing Agency (NURCHA). NURCHA was required to place the funds in an interest bearing account with a recognised financial institution. The interest accrued was to be used for the Vulindlela Housing Project on approval by the MEC in line with the National Housing Code. These funds were paid into the Provincial Revenue Fund, and they were allocated back in the 2017/18 Adjustments Estimate to be utilised for community facilities such as a community hall, crèche, as well as social amenities such as a sports field that will be of use to the families benefiting from this project.

In 2018/19 and over the MTEF, the HSDG sees a significant reduction of R578.274 million, R698.886 million and R465.806 million. As such, the number of units, sites and housing opportunities across all projects were reduced and no new projects will commence over the MTEF at this stage. The reduction partly relates to fiscal consolidation cuts and partly to the creation of two new grants in the Human Settlements sector, namely the TDRG and the Emergency Housing grant (held by the NDHS).

6.2 Departmental receipts collection

Table 8.2 provides a summary of the receipts collected by the department. Details of these departmental receipts are given in *Annexure – Vote 8: Human Settlements*.

Table 8.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	813	700	442	590	590	590	624	685	722
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	573	2 174	10	17	17	19 323	18	19	20
Sale of capital assets	49	-	539	886	886	32 510	779	635	670
Transactions in financial assets and liabilities	27 485	165 201	15 072	3 006	3 006	3 006	3 388	3 787	3 995
Total	28 920	168 075	16 063	4 499	4 499	55 429	4 809	5 126	5 407

Sale of goods and services other than capital assets is derived from commission on PERSAL deductions such as insurances and garnishee orders, rental on state-owned property, parking fees and state tender fees. Due to the unpredictable nature of this category, the budget is conservative over the 2018/19 MTEF.

Interest, dividends and rent on land includes interest from staff debts and positive cash balances. In 2015/16, the department collected revenue of R2.174 million mainly from interest received on land acquired from the department by the AbaQulusi and uMhlathuze municipalities. The 2017/18 Revised Estimate shows an anticipated over-collection against interest accrued from funds received after the sale of three portions of the Farm Louisiana. The funds are being kept by Van Zyl Retief attorneys and will generate interest until the purchase is finalised. Another contributor to this over-collection is accrued interest on monies transferred for the management and implementation of the Vulindlela Rural Housing Project in the uMgungundlovu District. Conservative revenue projections over the MTEF mainly relate to interest on outstanding staff debts, which is difficult to project for.

Sale of capital assets relates to cash received from the sale of redundant assets, such as motor vehicles and office equipment. In 2016/17, the collection against this category relates to the sale of redundant departmental motor vehicles. There are 330 units in Ridgeview Gardens that the department purchased in 2014, with the intention of renovating and re-selling these units individually. The department was granted approval by Provincial Treasury in 2016/17 to sell these units as part of the FLISP programme. The department has subsequently sold some of these units, which contributes to the 2017/18 Revised Estimate, and it is likely that the department will request the funds to be allocated back during the 2018/19 Adjustments Estimate. The fluctuating trend over the MTEF is due to the uncertainty of this source.

Transactions in financial assets and liabilities, which is the major contributor to departmental revenue, comprises revenue collected from previous years such as staff debts in respect of breached bursary contracts, as well as recoveries of prior years' expenditure. The high collection in 2015/16 includes R118.441 million in respect of previous years' expenditure for the assessment, administration and management of social housing and R12.532 million from Ithala being the recall of surplus funds. These funds were allocated back to the department for the escalation costs of the 2012 subsidy quantum. The conservative budgeting over the 2018/19 MTEF reflects the difficulty in accurately projecting recoveries from projects, due to their uncertain nature.

6.3 Donor funding – Nil

7. Payment summary

Section 7 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 8: Human Settlements*.

7.1 Key assumptions

The key assumptions that underpin the MTEF budget of the department are summarised below:

- All inflation related increases are based on CPI projections.
- In terms of the National Treasury's guidelines, the cost of living adjustment is 6.5 per cent in 2018/19, 6.3 per cent in 2019/20 and 6.5 per cent in 2020/21, which excludes the 1.5 per cent pay progression. The budget adequately caters for these increases.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 8.3 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 8.3 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(15 907)	(16 734)	(17 658)	(18 647)	(19 691)
Above-budget 2015 wage agreement	8 053	8 628	9 271	9 790	10 338
Freezing all vacant non-OSD posts	(20 180)	(21 552)	(23 017)	(24 306)	(25 667)
Cutting events' budgets	(2 053)	(2 054)	(2 054)	(2 169)	(2 290)
2% Goods and services cut	(1 727)	(1 756)	(1 858)	(1 962)	(2 072)
2017/18 MTEF period		(1 766)	(1 938)	544	574
PES and Provincial Own Revenue reductions		(1 420)	(1 624)	(2 880)	(3 041)
Budget cuts to fund remuneration of <i>Izinduna</i>		(537)	(566)	(597)	(630)
Baseline adjustment		191	252	268	283
Additional funding from National Treasury		-	-	3 753	3 963
2018/19 MTEF period					8 336
Above-budget wage agreement					8 336
Total	(15 907)	(18 500)	(19 596)	(18 103)	(10 781)

In the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced or cut. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF. Offsetting these cuts to some extent over the 2016/17 MTEF, is the fact that the department received additional funding for the carry-through cost of the above-budget 2015 wage agreement.

In the 2017/18 MTEF, there was a reduction of the PES allocation due to data updates of the PES formula, fiscal framework reductions, as well as downward revision of the Provincial Own Revenue. The department's budget was therefore cut. Funds were also cut over the 2017/18 MTEF for the remuneration of *Izinduna* as determined by the Executive Council, in line with Presidential proclamations in this regard. The department also received a minor baseline adjustment over the MTEF, as well as additional funding from National Treasury which offset the budget cuts in that year.

In the 2018/19 MTEF, the department received additional funding in 2020/21 for the above-budget wage agreement.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R1.904 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

The budget structure of Vote 8 largely conforms to the uniform budget and programme structure prescribed for the Human Settlements sector.

It is noted that the name of Programme 4 changed from Housing Asset Management, Property Management to Housing Asset Management in 2017/18, in line with the sector structure.

Tables 8.4 and 8.5 provide a summary of the Vote's payments and budgeted estimates over the MTEF, by programme and economic classification, respectively.

The increase in the department's allocation in 2015/16 was mainly due to an additional amount of R308.377 million received from NDHS, where money was allocated to the province from Gauteng due to good performance in the delivery of units. This once-off allocation accounts for the decrease in 2016/17. The department also received additional funding for the carry-through of the above-budget 2015 wage agreement. During 2015/16, the Executive Council also agreed to provide R100 million to cater for various housing projects, as well as to re-allocate R130.973 million received from Ithala and NHFC, as mentioned. The increase from the 2017/18 Main to Adjusted Appropriation relates to the reallocation of funds received from NURCHA, funds returned by Stedone Development, as well as a second Adjustments Estimate in respect of an additional amount of R200 million received from NDHS in terms of Section 20 of the DORA, as mentioned. The allocation over the 2018/19 MTEF takes into account the HSDG budget cuts.

Table 8.4 : Summary of payments and estimates by programme: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	182 847	198 260	205 279	201 248	214 780	214 780	225 774	238 763	255 120
2. Housing Needs, Research and Planning	14 223	16 411	15 928	16 903	16 679	16 679	17 968	18 975	20 372
3. Housing Development	3 532 420	3 674 667	3 113 612	3 419 351	3 637 834	3 637 834	3 210 917	3 333 998	3 571 466
4. Housing Asset Management	143 688	241 687	194 184	206 368	197 441	197 441	192 578	196 062	210 449
Total	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407

Table 8.5 : Summary of payments and estimates by economic classification: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	362 918	389 360	457 004	428 794	469 792	469 669	495 268	508 758	535 621
Compensation of employees	239 766	266 232	280 036	309 634	307 039	306 916	340 345	361 504	384 880
Goods and services	123 151	123 128	176 569	119 160	162 753	162 751	154 923	147 254	150 741
Interest and rent on land	1	-	399	-	-	2	-	-	-
Transfers and subsidies to:	3 429 932	3 726 625	3 065 932	3 389 097	3 565 526	3 565 238	3 147 010	3 274 101	3 516 622
Provinces and municipalities	68 458	163 157	124 345	124 460	124 460	115 305	107 179	108 460	115 460
Departmental agencies and accounts	145 325	259 644	194 114	220 368	197 441	197 441	192 578	196 062	210 449
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100 000	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 216 149	3 303 824	2 647 473	3 044 269	3 243 625	3 252 492	2 847 253	2 969 579	3 190 713
Payments for capital assets	79 565	14 755	5 596	25 979	31 416	31 827	4 959	4 939	5 164
Buildings and other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Machinery and equipment	11 731	8 585	3 884	3 953	5 390	5 390	4 959	4 939	5 164
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	379	-	-	-	-	-	-	-	-
Payments for financial assets	763	285	471	-	-	-	-	-	-
Total	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407

Programme 1: Administration reflects a steady increase from 2014/15 to 2017/18. The increase from the 2017/18 Main to Adjusted Appropriation is due to the centralisation of the mobile communication services under this programme from other programmes. Furthermore, there were costs incurred as a result of the relocation of the department's head office from two premises (the Samora House Building and 320 Redefine Building) to a single office (Eagle Building), in Durban. Also contributing to the increase in 2017/18 are the funds returned by Stedone Development. The increase over the 2018/19 MTEF is to cater for wage agreements and inflationary adjustments on items such as leasing of offices, property payments, etc., as well as the filling of 20 critical vacant posts such as Chief Director: Human Capital, Deputy Director: Human Resource Development, employee wellness practitioners, etc. The budget adequately caters for the filling of these posts.

Programme 2: Housing Needs, Research and Planning reflects a steady increase from 2014/15 to 2017/18. The slight decrease from the 2017/18 Main to Adjusted Appropriation is due to the centralisation of the mobile communication services to Programme 1. The increase over the 2018/19 MTEF is to cater for wage agreements and inflationary adjustments, as well as the filling of the post of Chief Architect.

Programme 3: Housing Development sees an increase from the 2017/18 Main to Adjusted Appropriation and relates to the reallocation of funds received from NURCHA, funds rolled over with regard to the refund paid by FNB, as well as an additional amount of R200 million received from NDHS with regard to the HSDG, as mentioned. The HSDG allocation was significantly cut over the 2018/19 MTEF, partly due to fiscal consolidation and partly due to the creation of two new grants in the Human Settlements sector, namely the TDRG and the Emergency Housing Grant (held by the NDHS), as mentioned. The filling of posts in this programme is mainly in respect of contract posts to clear the backlog of title deeds.

The fluctuating trend against Programme 4: Housing Asset Management (which comprises the KZN Housing Fund) from 2014/15 to 2016/17 relates to the transfers made in 2015/16 to the eThekweni Metro in respect of the rectification programme for the pre-1994 housing stock of ex-Own Affairs and ex-R293 areas. The decrease from the 2017/18 Main to Adjusted Appropriation is due to over estimations made relating to the payment of liabilities to the Government Employees Pension Fund (GEPPF) regarding 43 officials who took voluntary severance packages and officials who took early retirement during 2016/17, as well as the centralisation of the mobile communication services to Programme 1. Over the 2018/19 MTEF, the HSDG was reduced, partly due to fiscal consolidation and partly due to the creation of the TDRG and the Emergency Housing grant which is held by NDHS, as mentioned.

Compensation of employees reflects a steady increase from 2014/15 to 2015/16. The decrease from the 2017/18 Main to Adjusted Appropriation is due to savings realised and moved to cater for staff exit costs as a result of retirement, resignation and natural attrition. The increase over the 2018/19 MTEF is in respect of the filling of 54 critical vacant posts such as Chief Director: Human Capital, Deputy Director: Human Resource Development, Employee Wellness Practitioners, etc., as well as the carry-through costs of previous wage agreements. These posts were not filled in 2017/18 due to budget cuts, and will be filled in 2018/19 from internal reprioritisation. This category shows growth of 10 per cent and therefore is adequate to cater for filling of these posts.

Goods and services reflects a steady increase from 2014/15 to 2016/17 in line with inflationary increases and the fast-tracking of housing project launches. The increase from the 2017/18 Main to Adjusted Appropriation is due to the funding allocated to HDA for the strategic management of catalytic projects and urban property acquisition on behalf of municipalities. The allocation over the 2018/19 MTEF relates to the implementation of the anti-land invasion strategy which has necessitated the safeguarding of departmental owned properties against illegal occupation, operating leases, professional fees and all other operational costs of the department.

Interest and rent on land pertains to interest paid on overdue accounts. The 2016/17 amount is in respect of interest paid on overdue accounts for payment made to the GEPP for employees who took early retirement in previous financial years.

In respect of *Transfers and subsidies*:

- There is a significant increase against *Provinces and municipalities* from 2014/15 to 2015/16 in respect of the transfer to the eThekweni Metro for the CRU programme. The decrease in 2016/17 relates to the CRU programme allocation which was lower than the previous year's allocation due to alignment to the agreement entered into by the department with the eThekweni Metro to transfer funds for the CRU programme. The allocation from 2017/18 and over the 2018/19 MTEF largely relates to the operational costs of accredited municipalities and the CRU programme.
- The spending against *Departmental agencies and accounts* relates to transfers to the KZN Housing Fund and funds earmarked to be transferred to HDA. Funding in respect of the KZN Housing Fund were moved to this category in line with an A-G finding in the 2013/14 audit. The fluctuating trend from 2014/15 to 2016/17 relates to the transfers made in 2015/16 to the eThekweni Metro in respect of the rectification programme for the pre-1994 housing stock of ex-Own Affairs and ex-R293 areas. The decrease from the 2017/18 Main to Adjusted Appropriation is due to provision made relating to the payment of liabilities to GEPP, the centralisation of the mobile communication services in Programme 1, and the termination of the three-year agreement between the department and HDA. The decrease over the 2018/19 MTEF is impacted by the fiscal consolidation cuts against the HSDG, as mentioned. The impact of the 2018/19 MTEF budget cuts includes the reduction in the number of units, sites and housing opportunities across all projects, and no new projects will commence over the MTEF at this stage. This cut will thus impact on the department's MTSF targets.
- The spending against *Public corporations and private enterprises* in 2016/17 relates to the implementation of the Military Veterans' Housing Project. The department entered into an agreement with Ithala as an implementing agent for the construction of houses for military veterans.
- *Households* shows a fluctuating trend from 2014/15 to 2015/16, due to fluctuations in the HSDG as the bulk of the housing programmes are budgeted for within this category. The decrease from 2015/16 to 2016/17 is as a result of the department receiving additional once-off funding of R308.377 million from NDHS in 2015/16, as mentioned. In addition, the department received additional funding of R100 million to cater for various housing projects, as well as the reallocation of R130.973 million received from Ithala and NHFC. The increase from the 2017/18 Main to Adjusted Appropriation is due to an additional amount of R200 million received from NDHS in terms of the HSDG, as mentioned. This increase was slightly offset by funding that was allocated to HDA for the management of catalytic projects being moved to *Goods and services* as the agency will be providing the technical expertise to the department. Over the 2018/19 MTEF, the HSDG is reduced significantly, partly due to fiscal consolidation cuts and partly due to the creation of the Emergency Housing grant which is held by NDHS, as mentioned.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The allocation in 2014/15 relates to the acquisition of the Riverview social housing development. The decrease in 2016/17 relates to the Social and Economic Amenities programme, where the department terminated contracts for uMkhanyakude, Amajuba and uMgungundlovu as a result of poor performance. The increase from the 2017/18 Main to Adjusted Appropriation is due to accelerated performance by the contractor. The allocation does not continue over the MTEF as the department is anticipating to finalise the Social and Economic Amenities programme. This will be reviewed against final progress at the end of 2017/18 and the budget will be adjusted accordingly.

Machinery and equipment shows a fluctuating trend due to its cyclical nature. The increase from the 2017/18 Main to Adjusted Appropriation is to cater for the purchase of IT equipment as a result of the relocation of the department's head office to Eagle Building in Durban. The fluctuating trend over the 2018/19 MTEF is due to the fact that the purchasing of vehicles and other equipment is cyclical in nature.

Software and other intangible assets relates to the purchase of various software packages in 2014/15.

Payments for financial assets relates to the write-off of staff debts in 2014/15 to 2016/17.

7.4 Summary of conditional grants payments and estimates

Tables 8.6 and 8.7 provide a summary of the conditional grant payments and budgeted estimates over the period by conditional grant name and economic classification, respectively. Note that the historical figures set out in Table 8.6 reflect actual spending per grant, and should not be compared to Table 8.1, which represent the actual receipts for each grant. The department has three grants, namely the HSDG, EPWP Integrated Grant for Provinces and the newly created TDRG. The EPWP Integrated Grant for Provinces receives funding up to 2018/19, while both the HSDG and the TDRG receive funding over the MTEF.

Details are given in *Annexure – Vote 8: Human Settlements*.

Table 8.6 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Human Settlements Development grant	3 509 045	3 543 852	3 123 330	3 477 567	3 678 939	3 678 939	3 152 757	3 275 125	3 508 205
EPWP Integrated Grant for Provinces	-	6 058	15 194	5 625	5 625	5 625	11 484	-	-
Title Deeds Restoration grant	-	-	-	-	-	-	101 422	107 140	113 028
Total	3 509 045	3 549 910	3 138 524	3 483 192	3 684 564	3 684 564	3 265 663	3 382 265	3 621 233

Table 8.7 : Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	95 845	97 284	156 190	122 005	155 774	155 774	161 114	155 326	155 326
Compensation of employees	57 656	64 621	69 736	82 564	82 414	82 414	88 178	94 174	94 174
Goods and services	38 189	32 663	86 454	39 441	73 360	73 360	72 936	61 152	61 152
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3 340 206	3 446 176	2 980 404	3 338 471	3 502 074	3 501 663	3 103 718	3 226 108	3 465 076
Provinces and municipalities	68 326	163 059	124 213	124 210	124 210	115 055	106 929	108 210	115 210
Departmental agencies and accounts	98 059	162 054	135 678	170 629	156 629	156 629	150 173	148 956	159 846
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100 000	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 173 821	3 121 063	2 620 513	3 043 632	3 221 235	3 229 979	2 846 616	2 968 942	3 190 020
Payments for capital assets	72 994	6 450	1 930	22 716	26 716	27 127	831	831	831
Buildings and other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Machinery and equipment	5 160	280	218	690	690	690	831	831	831
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	379	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 509 045	3 549 910	3 138 524	3 483 192	3 684 564	3 684 564	3 265 663	3 382 265	3 621 233

As previously mentioned, the HSDG was reduced by R365.661 million in 2017/18, and sees a further reduction of R578.274 million, R698.886 million and R465.805 million over the 2018/19 MTEF, partly due to fiscal consolidation and partly due to the creation of two new grants in the Human Settlements sector, namely the TDRG and the Emergency Housing grant (held by the NDHS), as mentioned.

The department's main funding relates to the HSDG, which aims to promote the provision of low income housing using different programmes such as project linked subsidies, people's housing programmes, IRDP, rural housing subsidies, ISU, social housing, etc.

The department receives funding in respect of the EPWP Integrated Grant for Provinces for developing skills of beneficiaries to improve employment prospects, as well as expanding work opportunities, especially for the youth, during the implementation of housing projects.

The department receives funding for the TDRG over the 2018/19 MTEF. These funds were previously ring-fenced in the HSDG to eradicate the title deeds registration backlog, currently sitting at 138 496. This new grant was created by shifting funds that were allocated for eradicating the backlog from the HSDG to ensure that these funds cannot be utilised by provinces for other purposes.

The department funds *Compensation of employees* from the HSDG, in line with DORA, which allows for a portion (up to 5 per cent) of the conditional grant funding to be used for administrative purposes to enhance service delivery. The slight decrease from the 2017/18 Main to Adjusted Appropriation relates to a post which was vacated due to natural attrition during the year. The increase over the 2018/19 MTEF relates to contract posts such as Professional Construction Project Manager, Community Development Practitioner, etc. in respect of the HSDG which are expected to be filled as and when the need arises. In 2018/19, 3 per cent of the HSDG relates to *Compensation of employees*.

The substantial increase under *Goods and services* in 2016/17 was due to the appointment of a Civil and Structural Engineer to undertake assessments, as well as costs in respect of repairs of structural defects at the Ridgeview Gardens social housing project. The substantial increase from the 2017/18 Main to Adjusted Appropriation and remaining at this level over the 2018/19 MTEF relates to the funding allocated to the HDA for the strategic management of catalytic projects and urban property acquisition on behalf of municipalities within the province. This allocation was previously under *Transfers and subsidies to: Households*, but National Treasury SCOA advised the department that this should be allocated under *Goods and services* as the agency will be providing technical expertise to the department.

The increase in *Transfers and subsidies to: Provinces and municipalities* from 2014/15 to 2015/16 was in respect of the transfer to the eThekweni Metro for the CRU programme. The decrease in 2016/17 relates to the alignment of the CRU programme allocation to the agreement. The department entered into an agreement with eThekweni Metro to transfer funds for the CRU programme. The allocation in 2017/18 and over MTEF is largely due to the operational costs of accredited municipalities and the CRU programme.

Transfers and subsidies to: Departmental agencies and accounts relates to transfers to the KZN Housing Fund and the HDA. Funding in respect of the KZN Housing Fund was moved to this category in line with an A-G finding relating to the KZN Housing Fund in the 2013/14 audit. The fluctuating trend from 2014/15 to 2016/17 relates to the transfers made in 2015/16 to the eThekweni Metro for the rectification programme for the pre-1994 housing stock of ex-Own Affairs and ex-R293 areas. The decrease in the 2017/18 Main to Adjusted Appropriation is due to provision for the payment of liabilities to the GEPE, the centralisation of the mobile communication services to Programme 1, as well as the termination of the three-year agreement between the department and HDA. Over the 2018/19 MTEF, the HSDG was reduced partly due to fiscal consolidation cuts and partly due to the creation of two new grants, as mentioned. The impact of these cuts over the MTEF is a reduced number of units and housing opportunities across all projects, as mentioned.

Transfers and subsidies to: Households shows a declining trend from 2014/15 to 2016/17, due to the decrease in the HSDG as the bulk of the housing programmes are budgeted for within this category. As mentioned, the decrease from 2015/16 to 2016/17 is as a result of the department receiving additional once-off funding of R308.377 million from NDHS in 2015/16. The increase from the 2017/18 Main to Adjusted Appropriation is due to an additional R200 million received from NDHS for the HSDG. Over the 2018/19 MTEF, the HSDG was reduced, as explained previously.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The high amount in 2014/15 relates to the acquisition of the Riverview social housing development. The decrease in 2016/17 relates to the Social and Economic Amenities programme where the department terminated contracts for uMkhanyakude, Amajuba and uMgungundlovu as a result of poor performance. The increase from the 2017/18 Main to Adjusted Appropriation is due to accelerated performance by the contractor. The allocation does not continue over the MTEF as the department is anticipating to finalise the Social and Economic Amenities programme. This will be reviewed against final progress at the end of 2017/18 and the budget will be adjusted accordingly, as mentioned.

Machinery and equipment provides for the purchase furniture and equipment for new employees. This is in respect of new technical posts such as Construction Managers anticipated to be filled on a contractual basis, funded from this grant.

7.5 Summary of infrastructure payments and estimates

Table 8.8 presents a summary of infrastructure payments and estimates by infrastructure category. Detailed information on infrastructure is given in the *2018/19 Estimates of Capital Expenditure*.

Table 8.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Infrastructure transfers	57 460	163 053	123 158	124 210	124 210	115 054	106 929	108 210	115 210
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	57 460	163 053	123 158	124 210	124 210	115 054	106 929	108 210	115 210
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	20 000	20 839	28 858	21 462	18 703	21 462	21 777	23 419	25 761
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	144 915	190 062	153 728	167 698	168 939	162 953	128 706	131 629	140 971
<i>Capital infrastructure</i>	124 915	169 223	124 870	146 236	150 236	141 491	106 929	108 210	115 210
<i>Current infrastructure</i>	20 000	20 839	28 858	21 462	18 703	21 462	21 777	23 419	25 761

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

The category *New infrastructure assets: Capital* relates to the Social and Economic Amenities programme. The asset constructed is owned by the department until handed over to the municipality. The high amount in 2014/15 relates to the acquisition of the Riverview social housing development. The decrease in 2016/17 relates to the termination of contracts for uMkhanyakude, Amajuba and uMgungundlovu as a result of poor performance. The increase from the 2017/18 Main to Adjusted Appropriation is due to accelerated performance by the contractor. The allocation does not continue over the MTEF as the department is anticipating to finalise the Social and Economic Amenities programme. This will be reviewed against final progress at the end of 2017/18 and the budget will be adjusted accordingly, as mentioned.

Infrastructure transfers: Capital comprises transfers in respect of the CRU programme and operational costs of accredited municipalities. The trend from 2014/15 to 2016/17 relates to the operational costs for accredited municipalities, which are based on the actual performance by the municipality, as well as the transfer of R100 million to the eThekweni Metro in respect of the CRU programme in 2015/16. The decrease in 2016/17 relates to a lower allocation to the CRU programme in that year to align to the agreement. The allocation from 2017/18 and over 2018/19 MTEF is largely due to the operational costs of accredited municipalities and the CRU programme. The number of units in this regard are 120 and 100 units in 2017/18 and 2018/19, respectively. It is noted that the classification of operational costs under capital is currently being reviewed by the department.

The category *Infrastructure: Leases* relates to the operational leases for office accommodation leased by the department. The increasing trend over the seven-year period relates to inflationary increases, as well as the increase in district offices due to decentralisation.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 8.9 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA, as well as transfers to other entities. It is noted that HDA and SHRA are national public entities, and Ithala is used as an implementing agent. As such, the financial summaries for these public entities are not included in Vote 8's Annexure.

The department is funding the KZN Housing Fund which is in the process of being dis-established and is an unlisted public entity in terms of Section 47(2) of the PFMA. These allocations were previously made from all categories within Programme 4 but, following an A-G finding, are now made from *Transfers and subsidies to: Departmental agencies and accounts*.

Table 8.9 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
R thousand									
Transfers to public entities	932	18 000	100 000	14 000	-	-	-	-	-
Housing Development Agency 3.2 Financial Interventions	-	18 000	-	14 000	-	-	-	-	-
Ithala 3.3 Incremental Interventions	-	-	100 000	-	-	-	-	-	-
Social Housing Reg. Authority 3.4 Social and rental Interventions	932	-	-	-	-	-	-	-	-
Transfers to other entities	143 688	241 687	194 114	206 368	197 441	197 441	192 578	196 062	210 449
KZN Housing Fund 4 (all 3 sub-programmes)	143 688	241 687	194 114	206 368	197 441	197 441	192 578	196 062	210 449
Total	144 620	259 687	294 114	220 368	197 441	197 441	192 578	196 062	210 449

The transfer of R18 million to the HDA in 2015/16 was for operational costs of the support work undertaken by HDA in the province. The department entered into a three-year agreement with this national public entity to undertake various assigned functions such as the land assembly strategy for human settlements, land geo-spatial services, project packaging and implementation support on specific assigned development projects, etc. The adjustment from the 2017/18 Main to Adjusted Appropriation was due to the termination of the three-year agreement between the department and HDA in August 2017, due to the agency now being an implementing agent for the management of catalytic projects in the province.

The transfer to Ithala in 2016/17 is for the implementation of the Military Veterans' Housing Project. The department entered into an agreement with Ithala as an implementing agent for the construction of houses for military veterans. The transfer to SHRA during 2014/15 is for costs incurred by the Strategic Programme Management (Booster) team appointed by SHRA. There were no further transfers from 2015/16, due to the fact that this entity receives funds directly from NDHS in respect of the implementation of social housing programmes.

The increase in 2015/16 under the KZN Housing Fund relates to municipal services and rates and taxes for housing properties, as well as an Executive Council decision to provide funding towards the rehabilitation of R293 and Ex-Own Affairs townships. The transfer to this entity was also affected by budget cuts, hence the decrease in 2016/17. Over the 2018/19 MTEF, the HSDG was reduced partly due to fiscal consolidation cuts and partly due to the creation of new grants, as mentioned and this has impacted on this transfer.

7.8 Transfers to local government

Tables 8.10 and 8.11 illustrate departmental transfers to local government by category and by grant type, respectively. Details of these transfers are presented in the *Annexure – Vote 8: Human Settlements*.

Table 8.10 : Summary of departmental transfers to local government by category

Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
R thousand									
Category A	46 165	132 403	88 056	86 966	86 966	76 143	75 235	75 418	77 966
Category B	22 153	30 650	36 105	37 244	37 244	38 911	31 694	32 792	37 244
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210

Table 8.11 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Accredited municipalities	3.2 Financial Intervention	57 460	54 296	53 471	55 210	55 210	53 387	46 929	48 210	55 210
CRU programme	3.4 Social & Rental Intervention	-	108 757	65 142	69 000	69 000	60 000	60 000	60 000	60 000
Rates and taxes	3.4 Social & Rental Intervention	10 858	-	5 548	-	-	1 667	-	-	-
Total		68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210

Transfers to municipalities relate to CRU programme (Category A), municipal rates and taxes (Categories A and B) and operational costs of the accredited municipalities (Categories A and B).

Category A: The CRU programme provides a coherent approach to dealing with different forms of public residential accommodation. It enables the department to provide secure and stable rental tenure for lower income persons in good locations, and forms the basis for transition to the formal housing market.

Categories A and B: The department provides transfers for municipal rates and taxes and operational costs of accredited municipalities, for the eThekweni Metro, Ugu, uMgungundlovu, uThukela, Zululand, iLembe, Amajuba and King Cetshwayo Municipalities.

7.9 Transfers and subsidies

Table 8.12 provides a summary of transfers and subsidies per programme.

The various trends in each programme are discussed below the table.

Table 8.12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	2 180	1 195	3 037	887	1 639	1 639	887	887	943
Provinces and municipalities	132	98	132	250	250	250	250	250	250
Motor vehicle licences	132	98	132	250	250	250	250	250	250
Departmental agencies and accounts	705	-	-	-	-	-	-	-	-
PSETA	705	-	-	-	-	-	-	-	-
Households	1 343	1 097	2 905	637	1 389	1 389	637	637	693
Staff exit costs	-	388	1 674	-	685	750	-	-	-
Bursaries	1 343	709	1 231	637	704	639	637	637	693
2. Housing Needs, Research and Planning	7	-	-	-	-	22	-	-	-
Households	7	-	-	-	-	22	-	-	-
Staff exit costs	7	-	-	-	-	22	-	-	-
3. Housing Development	3 284 057	3 483 786	2 868 781	3 181 842	3 366 446	3 366 136	2 953 545	3 077 152	3 305 230
Provinces and municipalities	68 326	163 059	124 213	124 210	124 210	115 055	106 929	108 210	115 210
Op. costs for accredited municipalities (HSDG)	57 460	54 296	53 471	55 210	55 210	53 387	46 929	48 210	55 210
CRU programme (HSDG)	-	108 757	65 142	69 000	69 000	60 000	60 000	60 000	60 000
Claims against the state (HSDG)	8	6	52	-	-	1	-	-	-
Rates and taxes for Sec 21 properties (HSDG)	10 858	-	5 548	-	-	1 667	-	-	-
Departmental agencies and accounts	932	18 000	-	14 000	-	-	-	-	-
SHRA (HSDG)	932	-	-	-	-	-	-	-	-
Housing Development Agency (HSDG)	-	18 000	-	14 000	-	-	-	-	-
Public corporations and private enterprises	-	-	100 000	-	-	-	-	-	-
Ithala (HSDG)	-	-	100 000	-	-	-	-	-	-
Households	3 214 799	3 302 727	2 644 568	3 043 632	3 242 236	3 251 081	2 846 616	2 968 942	3 190 020
Staff exit costs	315	351	696	-	2 047	2 148	-	-	-
Staff exit costs (HSDG)	12	77	363	50	200	200	54	54	54
Other - Transfers from previous years	40 663	181 313	23 359	-	18 954	18 954	-	-	-
EPWP Integrated Grant for Provinces	-	3 165	3 789	-	-	-	-	-	-
Title Deeds Restoration grant	-	-	-	-	-	-	86 497	93 211	113 028
Human Settlements Development grant	3 173 809	3 117 821	2 616 361	3 043 582	3 221 035	3 229 779	2 760 065	2 875 677	3 076 938
4. Housing Asset Management	143 688	241 644	194 114	206 368	197 441	197 441	192 578	196 062	210 449
Departmental agencies and accounts	143 688	241 644	194 114	206 368	197 441	197 441	192 578	196 062	210 449
KZN Housing Fund	143 688	241 644	194 114	206 368	197 441	197 441	192 578	196 062	210 449
Of which:									
Title Deeds Restoration grant	-	-	-	-	-	-	14 925	13 929	-
Human Settlements Development grant	97 127	144 054	135 678	156 629	156 629	156 629	135 248	135 027	159 846
Total	3 429 932	3 726 625	3 065 932	3 389 097	3 565 526	3 565 238	3 147 010	3 274 101	3 516 622

With regard to Programme 1:

- *Provinces and municipalities* in Programme 1 relates to the payment of motor vehicle licence fees.
- *Households* pertains to staff exit costs and bursaries paid to 16 external students in qualifications such as Civil Engineering, Construction Management, Town and Regional Planning, Geographic and Environmental Studies, etc. The increase in 2016/17 relates to higher than anticipated staff exit costs.
- It should be noted that the department no longer transfers funds to the Public Service Sector Education and Training Authority (PSETA) against *Departmental agencies and accounts* in line with a National Treasury Circular of 10 July 2014, which indicated that national departments applied for the creation of a single transfer to PSETA through DPSA. As a result, departments do not have to transfer funds to PSETA, unless such transfers are for a different purpose.

Spending against *Households* in 2014/15 in Programme 2 relates to staff exit costs.

With regard to Programme 3:

- *Provinces and municipalities* relates to programmes funded from the HSDG. The trend from 2014/15 to 2016/17 relates to the operational costs for accredited municipalities, which are based on the actual performance by the municipality, as well as the transfer of R100 million to the eThekwin Metro for the CRU programme in 2015/16. The decrease in 2016/17 relates to the budget for the CRU programme which is lower than the previous year, due to alignment to the agreement. The MTEF allocations are largely for operational costs of accredited municipalities and the CRU programme.
- *Departmental agencies and accounts* pertains to transfers to SHRA and HDA. The reduction to zero in the transfer to SHRA from 2014/15 onward is mainly due to the fact that the entity had not fully spent the allocation that was transferred to them since 2012/13. The allocation to the HDA was R18 million in 2015/16 to cater for the operational costs of the support work being undertaken by HDA in the province. The decrease from the 2017/18 Main to Adjusted Appropriation is due to the termination of the three-year agreement between the department and HDA, as mentioned.
- *Households* relates mainly to HSDG projects, as well as TDRG over the MTEF. The bulk of the department's funding is allocated within this category. Also included are staff exit costs funded by both the equitable share and HSDG. The decrease from 2015/16 to 2016/17 relates to once-off additional funding received from NDHS in 2015/16. The increase from the 2017/18 Main to Adjusted Appropriation is due to an additional R200 million received from NDHS, as well as R18.954 million in respect of funds returned by NURCHA, as mentioned. Over the 2018/19 MTEF, the HSDG was reduced partly due to fiscal consolidation cuts and partly due to the creation of two new grants.

With regard to *Departmental agencies and accounts* in Programme 4, the increase in 2015/16 relates to transfers made to the eThekwin Metro for the rectification of pre-1994 housing stock programme for rehabilitation of R293 and ex-Own Affairs townships. The decrease from the 2017/18 Main to Adjusted Appropriation is due to provision for the payment of liabilities to GEPI. In 2018/19 MTEF, the HSDG was reduced partly due to fiscal consolidation cuts and partly due to creation of two new grants.

8. Programme description

The services rendered by this department are categorised under four programmes, which conforms to the uniform budget and programme structure for the Human Settlements sector. The payments and budgeted estimates for each of these programmes are summarised below, details of which are presented in the *Annexure to Vote 8 – Human Settlements*.

8.1 Programme 1: Administration

The purpose of this programme is to identify and eliminate bottle-necks, as well as continuously improve the flow of financial, administrative and management information. The strategic objectives of this programme are to strengthen governance and service delivery. Tables 8.13 and 8.14 reflect a summary of payments and estimates for the period 2014/15 to 2020/21.

Table 8.13 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Corporate Services	182 847	198 260	205 279	201 248	214 780	214 780	225 774	238 763	255 120
Total	182 847	198 260	205 279	201 248	214 780	214 780	225 774	238 763	255 120

Table 8.14 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	173 522	188 867	198 248	197 223	208 577	208 577	220 789	233 798	249 874
Compensation of employees	101 270	110 479	118 155	125 871	127 367	127 367	144 604	153 955	166 744
Goods and services	72 251	78 388	79 696	71 352	81 210	81 208	76 185	79 843	83 130
Interest and rent on land	1	-	397	-	-	2	-	-	-
Transfers and subsidies to:	2 180	1 195	3 037	887	1 639	1 639	887	887	943
Provinces and municipalities	132	98	132	250	250	250	250	250	250
Departmental agencies and accounts	705	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 343	1 097	2 905	637	1 389	1 389	637	637	693
Payments for capital assets	6 446	8 181	3 523	3 138	4 564	4 564	4 098	4 078	4 303
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 446	8 181	3 523	3 138	4 564	4 564	4 098	4 078	4 303
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	699	17	471	-	-	-	-	-	-
Total	182 847	198 260	205 279	201 248	214 780	214 780	225 774	238 763	255 120

The Corporate Services sub-programme caters for services such as providing strategic leadership, co-ordination and management of strategies, as well as the administration of the department. The increase over the MTEF is to cater for wage agreements and inflationary adjustments on items such as leasing of office accommodation, property payments, etc., as well as the filling of 20 critical vacant posts, as mentioned.

Compensation of employees shows an increase over the 2018/19 MTEF in respect of the carry-through costs of previous wage agreements, as well as the above-budget wage agreement in 2020/21. Twenty critical vacant posts are budgeted for from 2017/18 onward, such as Chief Director: Human Capital, Deputy Director: Human Resource Development, employee wellness practitioners, etc., as mentioned. The percentage growth from 2017/18 to 2018/19 is 13 per cent, which is higher than National Treasury guidelines and is adequate to cater for filling these posts.

The increase against *Goods and services* over the 2018/19 MTEF is to cater for inflationary adjustments. This category provides mainly for the management of office accommodation, training and development, IT related functions, etc. for the entire department.

Interest and rent on land pertains to interest paid on overdue accounts for payments made to the GEPR for employees who took early retirement in previous financial years. No provision is made for this over the 2018/19 MTEF.

With regard to *Transfers and subsidies*:

- *Provinces and municipalities* relates to motor vehicle licences for the department's entire fleet.
- *Departmental agencies and accounts* relates to transfers to PSETA which is no longer paid beyond 2014/15.
- The fluctuating trend against *Households* over the seven years relates to staff exit costs. The allocation over the 2018/19 MTEF relates to bursaries issued by the department to 16 external candidates in qualifications such as Civil Engineering, Construction Management, Town and Regional Planning, Geographic and Environmental Studies, etc.

Machinery and equipment relates to the replacement of motor vehicles, as well as the purchase of new motor vehicles for districts, as the department has decentralised its offices. The 2018/19 MTEF provides for the purchase of departmental motor vehicles, IT equipment, etc.

Payments for financial assets relates to the write-off of staff debts.

8.2 Programme 2: Housing Needs, Research and Planning

The purpose of this programme is to develop tools to guide the department's investment decisions and to provide policy and support to the housing delivery process. In addition, the programme provides for the facilitation and integration of housing sector planning, education of stakeholders in housing sector planning, alignment of the housing budget with the current and future housing needs, and the capacitation of housing stakeholders for housing delivery through mentorship and training.

Tables 8.15 and 8.16 illustrate payments and budgeted estimates from 2014/15 to 2020/21.

Table 8.15 : Summary of payments and estimates by sub-programme: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	338	376	400	361	353	353	475	466	463
2. Policy	3 539	4 354	4 087	5 112	4 226	4 226	5 395	5 750	6 238
3. Planning	3 400	3 447	3 598	3 780	3 740	3 740	3 991	4 240	4 593
4. Research	6 946	8 234	7 843	7 650	8 360	8 360	8 107	8 519	9 078
Total	14 223	16 411	15 928	16 903	16 679	16 679	17 968	18 975	20 372

Table 8.16 : Summary of payments and estimates by economic classification: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	14 209	16 411	15 875	16 903	16 668	16 646	17 968	18 975	20 372
Compensation of employees	11 165	12 885	12 991	14 524	13 674	13 652	15 779	16 828	18 271
Goods and services	3 044	3 526	2 884	2 379	2 994	2 994	2 189	2 147	2 101
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7	-	-	-	-	22	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7	-	-	-	-	22	-	-	-
Payments for capital assets	-	-	53	-	11	11	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	53	-	11	11	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	7	-	-	-	-	-	-	-	-
Total	14 223	16 411	15 928	16 903	16 679	16 679	17 968	18 975	20 372

The budget for the sub-programme: Administration over the 2018/19 MTEF provides for administration of services, managing personnel, financial administration and the co-ordination and monitoring of housing needs, research and planning and shows a fluctuating trend.

The sub-programme: Policy provides for creating platforms for various stakeholders for discussing, debating, drafting and informing human settlement policies, programmes, innovation and technology, and mainly consists of *Compensation of employees* and operational costs of the staff within the component.

The sub-programme: Planning provides for the facilitation and integration of housing sector planning in all sectors such as local and district municipalities, as well as other departments such as COGTA, DOT, DOE,

to name a few, in order to align the department's budget with current and future housing needs. The sub-programme further provides technical and professional support to municipalities in the review of their housing sector plans, IDPs and spatial development plans, to ensure alignment to the NDP and PGDS. Furthermore, the sub-programme is responsible for maintaining a project pipeline of potential projects identified through an engagement process with municipalities, and for conducting feasibility studies to determine suitability. At project level, the sub-programme identifies and manages the planning activities and studies of all human settlements projects such as environmental, geotechnical, bulk infrastructure, social aspects, land legal and town planning.

The sub-programme: Research provides for the identification of any skills gaps in the major stakeholders that are an integral part of the housing delivery chain, including municipalities, traditional leaders and institutions, emerging contractors, youth and women. The sub-programme includes planned capacity building initiatives to ensure broader participation of key stakeholders in the delivery of sustainable human settlements. The budget grows steadily over the 2018/19 MTEF to cater for the carry-through costs of previous wage agreements, as well as the implementation of capacity building programmes such as the training of traditional leaders and housing consumers, as well as beneficiary training for communities (i.e. training communities on their rights in housing, such as what type of housing they qualify for).

With regard to *Compensation of employees*, provision has been made over the MTEF for the carry-through costs of previous wage agreements and the filling of one post, namely Chief Architect. Growth is 15 per cent in 2018/19 and there is therefore sufficient growth to provide for filling this post.

Goods and services shows a decreasing trend over the 2018/19 MTEF due to cost-cutting on items such as travel and subsistence. Over the 2018/19 MTEF, the programme continues to make provision for capacity building programmes relating to housing consumer and Councillor training.

Transfers and subsidies to: Households relates to staff exit costs.

Machinery and equipment relates to the purchase of office furniture, and no allocation has been made going forward as this is not an annual requirement.

Service delivery measures: Housing Needs, Research and Planning

Table 8.17 reflects the main service delivery measures pertaining to Programme 2. Note that there are no current generic measures for this sector, but the department is largely following the sector measures from previous years when they still had sector measures. Some of the outputs and performance indicator descriptions have been changed to ensure alignment with the department's 2018/19 APP.

The department reviewed its service delivery measures for 2018/19, and hence six new targets is included, indicated by "New" in the 2017/18 column.

Table 8.17 : Service delivery measures: Housing Needs, Research and Planning

Table 5.1: Services delivery indicators: Housing Needs, Research and Planning						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21
Planning						
1.1	Improved planning to achieve integrated settlement developments	• Municipal Spatial Development plans aligned to the KZN HSMSP's focus area	New	20	10	10
• Approved beneficiary capacitation strategy on home ownership reviewed annually		New	1	1	1	
• No. of nationally approved catalytic projects in pre-planning stage (stage 1)		6	4	4	4	
• No. of catalytic projects approved		New	2	2	-	
• No. of catalytic projects implemented		New	4	4	8	
• No. of households provided with consumer education		New	12 000	13 000	14 000	
• No. of projects in planning		1	104	114	70	
• No. of policies approved		1	1	1	1	
• Approved multi-year housing development plan reviewed annually		1	1	1	1	
• No. of accredited municipalities provided with institutional support		New	7	7	7	

8.3 Programme 3: Housing Development

This programme is responsible for the implementation and monitoring of housing delivery within all districts including the eThekweni Metro, through various subsidy mechanisms in terms of national and provincial policies. This programme has a number of projects at various stages of implementation within each municipality. It is also expected to achieve certain key strategic objectives of the department through the implementation of projects using various subsidy instruments. The subsidy instruments implemented by the department are: individual, project linked, institutional, consolidation, relocation, disaster management, social housing, rectification, social and economic facilities and rural housing stock.

Programme 3 consists of the bulk of the HSDG, the remainder of which falls under Programme 4. As such, this programme is aligned to the departmental conditional grant business plan, which contains a list of all projects that are to be implemented. This programme also includes the EPWP Integrated Grant for Provinces, as well as the TDRG. Projects to be implemented include Vulindlela, Sobonakhona, etc. This programme is significantly impacted on by any fluctuations in the HSDG allocation, as previously discussed.

Tables 8.18 and 8.19 illustrate a summary of payments and budgeted estimates from 2014/15 to 2020/21.

Table 8.18 : Summary of payments and estimates by sub-programme: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	90 698	86 714	87 407	92 788	90 945	90 945	95 427	100 689	110 079
2. Financial Interventions	469 225	421 270	374 583	478 407	469 779	469 779	408 381	410 385	436 393
3. Incremental Interventions	1 089 267	1 307 268	1 259 157	1 759 482	1 988 436	1 776 383	1 673 583	1 746 228	1 917 683
4. Social and Rental Intervention	78 768	267 718	231 477	108 150	108 150	108 150	169 000	190 000	205 000
5. Rural Intervention	1 804 462	1 591 697	1 160 988	980 524	980 524	1 192 577	864 526	886 696	902 311
Total	3 532 420	3 674 667	3 113 612	3 419 351	3 637 834	3 637 834	3 210 917	3 333 998	3 571 466

Table 8.19 : Summary of payments and estimates by economic classification: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	175 187	184 082	242 881	214 668	244 547	244 446	256 511	255 985	265 375
Compensation of employees	127 331	142 868	148 890	169 239	165 998	165 897	179 962	190 721	199 865
Goods and services	47 856	41 214	93 989	45 429	78 549	78 549	76 549	65 264	65 510
Interest and rent on land	-	-	2	-	-	-	-	-	-
Transfers and subsidies to:	3 284 057	3 483 786	2 868 781	3 181 842	3 366 446	3 366 136	2 953 545	3 077 152	3 305 230
Provinces and municipalities	68 326	163 059	124 213	124 210	124 210	115 055	106 929	108 210	115 210
Departmental agencies and accounts	932	18 000	-	14 000	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100 000	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 214 799	3 302 727	2 644 568	3 043 632	3 242 236	3 251 081	2 846 616	2 968 942	3 190 020
Payments for capital assets	73 119	6 531	1 950	22 841	26 841	27 252	861	861	861
Buildings and other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Machinery and equipment	5 285	361	238	815	815	815	861	861	861
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	379	-	-	-	-	-	-	-	-
Payments for financial assets	57	268	-	-	-	-	-	-	-
Total	3 532 420	3 674 667	3 113 612	3 419 351	3 637 834	3 637 834	3 210 917	3 333 998	3 571 466

The sub-programme: Administration provides for administration of human settlement development projects, managing of personnel and financial administration. The sub-programme reflects a steady increase over the 2018/19 MTEF, due to provision made for wage adjustments and inflationary increases.

The Financial Interventions sub-programme provides for financial support to procure services relating to housing delivery. The subsidy instruments implemented include, among others, procurement of land for housing development, the operational costs for accredited municipalities, NHBRC enrolment fees, operational capital budget, implementation of the anti-land invasion strategy, etc. The increase in 2019/20

to 2020/21 is due to the provision made for the procurement of land in uMgungundlovu in respect of the greater Edendale area for various housing projects.

The Incremental Interventions sub-programme contributes towards achievement of Outcome 8 targets and ensuring sustainable human settlements. The subsidy instruments implemented include ISU, IRDP, emergency housing assistance, etc. The decrease in 2018/19 from 2017/18 is due to fiscal consolidation cuts against the HSDG. There is a steady increase over the 2018/19 MTEF due to acceleration of service delivery projects to increase service delivery in urban areas, mainly under ISU such as the Groutville priority housing project, Thubalethu extension housing project, Sakhamkhanya housing project, etc., as well as the allocation in respect of the TDRG.

The sub-programme: Social and Rental Intervention provides for the CRU programme which aims to create a sustainable, affordable and secure rental housing option for households. Over the 2018/19 MTEF, the programme provides for projects such as hostel upgrades, including eThekweni hostels, Ndumo hostel upgrades in uMkhanyakude, Jika Joe in Msunduzi, Newcastle N11 in Amajuba, etc.

The sub-programme: Rural Intervention provides for housing needs that are implemented utilising the rural housing subsidy. The decrease from 2017/18 to the 2018/19 MTEF is due to the department aiming at finalising some of the rural projects such as KwaXolo, KwaJobe, Oshabeni, etc. which are currently on the ground in order to focus mainly on the Outcome 8 targets under the other programmes.

The strong growth against *Compensation of employees* can mainly be attributed to posts funded by the HSDG, in line with DORA, which allows for a portion (up to 5 per cent) of the conditional grant funding to be used for administrative purposes to enhance service delivery. The increase over the 2018/19 MTEF relates to above inflationary increases and contract posts such as Professional Construction Project Manager, Community Development Practitioner, etc. in respect of the HSDG which are expected to be filled as and when the need arises. In 2018/19, 3 per cent of the HSDG is allocated to *Compensation of employees*. Growth is 8 per cent in 2018/19 and there is sufficient growth to provide for filling posts.

Goods and services provides for operational costs of officials, implementation of the anti-land invasion strategy, as well as portion of the EPWP Integrated Grant for Provinces allocation. The growth from 2018/19 to 2020/21 is very low because the EPWP Integrated Grant for Provinces is not allocated beyond 2018/19, at this stage.

Interest and rent on land pertains to interest paid on overdue accounts in 2016/17.

With regard to *Transfers and subsidies*:

- *Provinces and municipalities* shows an increasing trend over the 2018/19 MTEF largely due to the CRU programme and operational costs of the accredited municipalities that are implementing housing projects, such as the payment of salaries, office accommodation, vehicles, computer systems, purchase of equipment and maintenance, stationery, etc.
- *Departmental agencies and accounts* relates to a once-off transfer to SHRA for the implementation of the social housing programme and transfers to HDA for various assigned functions, as mentioned.
- *Public corporations and private enterprises* in 2016/17 relates to the implementation of the Military Veterans' Housing Project, as mentioned.
- *Households* provides for the bulk of the housing programmes, as well as the TDRG. The HSDG grows consistently over the 2018/19 MTEF, following a significant cut. The projects that the department is focusing on over the 2018/19 MTEF include ISU projects, IRDP projects, emergency housing assistance projects, etc.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The allocation does not continue over the MTEF as the department is anticipating to finalise the Social and Economic Amenities programme. This will be reviewed against final progress at the end of 2017/18, as mentioned.

Machinery and equipment includes the purchase of office furniture and equipment, as well as the purchase of vehicles.

Service delivery measures: Housing Development

Table 8.20 reflects the main service delivery measures pertaining to Programme 3. Note that there are currently no generic measures for this sector. However the department is largely following the sector measures from the previous years when they were still a sector. Some of the outputs and performance indicator descriptions have changed to ensure alignment with the department's 2018/19 APP.

Table 8.20 : Service delivery measures: Housing Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1.1 Finance linked individual subsidy prog.	• No. of houses completed	2 480	2 226	2 137	2 033	
1.2 Informal settlements upgrade prog.	• No. of households connected to basic services (incl. PLS)	2 239	3 275	4 163	4 605	
	• No. of houses completed	4 902	4 110	3 657	4 283	
	• No. of informal settlements upgraded	New	2	2	3	
	• No. of households benefiting from informal settlements upgrading	New	4 110	3 657	4 283	
1.3 Integrated Residential Development prog.	• No. of housing units for subsidy sub-market provided	New	17 842	16 794	17 432	
	• No. of new sites connected to basic water and sanitation services	1 106	2 265	2 650	2 682	
	• No. of houses completed	2 964	2 704	3 504	3 810	
1.4 Peoples' housing process	• No. of houses completed	3 293	3 199	2 085	1 900	
1.5 Disaster mgt rehabilitation (incl. of OSS)	• No. of houses completed	1 894	739	135	100	
1.6 Rectification prog. (1994-2002)	• No. of units rectified	802	248	95	-	
1.7 Community Residential Units	• No. of units completed	200	330	530	550	
	• No. of social housing units completed	-	330	5132	3 445	
	• No. of rural opportunities created	7 764	6 760	6 883	6 969	
1.8 Rural housing	• No. of houses completed	68	76	76	76	
1.9 Military Veterans' Housing prog.	• No. of targeted Full Time Equivalents	5 000	5 500	5 900	5 900	
1.10 Job creation	• No. of properties transferred	32 109	22 029	37 400	48 605	
	• No. of serviced sites delivered per human settlements (housing) prog.	3 345	5 540	6 813	7 287	
	• No. of new housing units completed (excluding rectification)	23 790	20 068	18 931	19 465	
	• No. of new title deeds issued for the subsidy market (from April 2014)	New	4026	3 797	5 110	
	• No. of post-1994 title deeds issued (April 1994-March 2014)	32 109	18 003	33 603	43 495	
	• Percentage of HSDF construction budget allocated to designated groups	New	30%	30%	30%	
	• No. of urban housing opportunities created in line with National Service Delivery Outcome 8, NDP, the PGDS, Integrated Urban Development Framework, KZN HSMSP	New	11 227	6 814	8 093	
	• Approved implementation plan to fast track the implementation of the Title Deeds Restoration programme, reviewed annually	New	1	1	1	
	• Approved implementation plan to fast track the issuing of Title Deeds which were not issued during the "swopping" of project milestones during 01/04/1994 to 31/03/2014 reviewed annually	New	1	1	1	

8.4 Programme 4: Housing Asset Management

This programme is responsible for the management of Ex-Natal Provincial Administration and Own Affairs stock. This stock includes residential properties, vacant land and a variety of other non-residential properties, all of which belong to the KZN Housing Fund. In terms of its mandate, all properties will, on a progressive basis, either be transferred to individual occupants in terms of the EEDBS, or be disposed of in the open market. Some of these properties will also be devolved to municipalities. In cases where a transfer is not possible, such stock will remain rental stock. The KZN Housing Fund is in the process of being dis-established and, once this process is finalised, all assets and liabilities will be transferred to the Vote. Negotiations in this regard are still underway. The KZN Housing Fund is funded by equitable share, HSDG, as well as TDRG over the MTEF.

It must be noted that *Transfers and subsidies to: Departmental agencies and accounts* relates to transfers to the KZN Housing Fund. Funding in respect of the KZN Housing Fund has been moved to this category, due to compliance with an A-G finding and GRAP requirements.

Tables 8.21 and 8.22 give a summary of payments and budgeted estimates pertaining to this programme. The overall MTEF allocation for this programme shows the effects of the implementation of the EEDBS policy, as explained in greater detail below.

Table 8.21 : Summary of payments and estimates by sub-programme: Housing Asset Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	46 561	47 633	58 506	49 739	40 812	40 812	42 405	47 106	50 603
2. Sale and Transfer of Housing Properties	919	537	335	57 996	57 996	57 996	65 889	73 256	64 146
3. Housing Properties Maintenance	96 208	193 517	135 343	98 633	98 633	98 633	84 284	75 700	95 700
Total	143 688	241 687	194 184	206 368	197 441	197 441	192 578	196 062	210 449

Table 8.22 : Summary of payments and estimates by economic classification: Housing Asset Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	143 688	241 644	194 114	206 368	197 441	197 441	192 578	196 062	210 449
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	143 688	241 644	194 114	206 368	197 441	197 441	192 578	196 062	210 449
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	43	70	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	43	70	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	143 688	241 687	194 184	206 368	197 441	197 441	192 578	196 062	210 449

The sub-programme: Administration provides for the management of Ex-Natal Provincial Administration and Own Affairs stock. The decrease from the 2017/18 Main to Adjusted Appropriation is due to provision for the payment of liabilities to the GEPR regarding 43 officials who took voluntary severance packages and officials who took early retirement during 2016/17, as well as the centralisation of the mobile communication services to Programme 1. The 2018/19 MTEF caters for wage agreements and inflationary adjustments.

The sub-programme: Sale and Transfer of Housing Properties provides for the transfer of rental housing stock to qualifying beneficiaries in terms of the EEDBS. The increase in 2017/18 and over the 2018/19 MTEF is as a result of provision made to fast-track the transfer of properties through the EEDBS programme. The decrease in 2020/21 is due to estimations that properties will be transferred to beneficiaries, as well as the relevant municipalities.

The sub-programme: Housing Properties Maintenance provides for the co-ordination of the maintenance of departmental rental housing stock and rectification of units built prior to 1994. The fluctuating trend over the 2018/19 MTEF relates to the rectification of pre-1994 housing stock which will be implemented in phases due to financial constraints. Due to the budget cuts, the HSDG only has a limited allocation toward the rectification programmes.

Service delivery measures: Housing Asset Management

Table 8.23 reflects the main service delivery measures pertaining to Programme 4. Note that there are currently no generic measures for this sector. However, the department is largely following the sector measures from the previous years when they were a sector.

Some of the outputs and performance indicator descriptions have changed to ensure alignment with the department's 2018/19 APP.

Table 8.23 : Service delivery measures: Housing Asset Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1. To provide secure tenure to communities	• No. of pre-1994 title deeds issued	553	9 225	9 400	4 590	
	• No. of rental units sold to beneficiaries	553	458	458	458	
	• No. of debtors reduced per financial year	200	560	600	700	
	• No. of units maintained	1 500	770	1 500	1 500	
	• No. of units rectified for pre-1994 stock	1 146	764	807	807	
	• No. of land parcels devolved to municipalities in terms of section 15 of the Housing Act, 1997	20	62	100	100	

9. Other programme information

9.1 Personnel numbers and costs

Table 8.24 illustrates personnel numbers and estimates over the seven-year period.

Table 8.24 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		Pers. growth rate	Costs growth rate	% Costs of Total
	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Filled posts	Addit. posts	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs			
R thousands																			
Salary level																			
1 – 6	86	15 807	94	19 554	91	26 340	61	27	88	25 447	113	26 507	113	28 527	113	30 412	8.7%	6.1%	8.0%
7 – 10	410	137 693	411	156 888	390	166 403	332	65	397	190 900	415	192 635	415	204 551	415	219 766	1.5%	4.8%	58.4%
11 – 12	82	55 525	90	59 742	79	53 455	43	35	78	56 018	96	75 602	96	80 462	96	86 255	7.2%	15.5%	21.1%
13 – 16	31	30 741	30	28 998	29	33 838	26	7	33	32 966	34	44 506	34	46 797	34	47 216	1.0%	12.7%	12.1%
Other	-	-	25	1 050	-	-	3	16	19	1 585	20	1 095	20	1 167	20	1 231	1.7%	(8.1%)	0.4%
Total	609	239 766	650	266 232	589	280 036	465	150	615	306 916	678	340 345	678	361 504	678	384 880	3.3%	7.8%	100.0%
Programme																			
1. Administration	246	101 270	310	110 479	281	118 155	276	23	299	127 367	325	144 604	325	153 955	325	166 744	2.8%	9.4%	42.5%
2. Housing Needs, Research and Plan.	35	11 165	26	12 885	26	12 991	25	1	26	13 652	27	15 779	27	16 828	27	18 271	1.3%	10.2%	4.6%
3. Housing Development	328	127 331	314	142 868	282	148 890	164	126	290	165 897	326	179 962	326	190 721	326	199 865	4.0%	6.4%	52.8%
4. Housing Asset Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
Total	609	239 766	650	266 232	589	280 036	465	150	615	306 916	678	340 345	678	361 504	678	384 880	3.3%	7.8%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	483	208 188	500	229 746	498	245 984	356	137	493	265 459	582	302 988	582	321 683	582	342 746	5.7%	8.9%	88.3%
Legal professionals	9	4 639	9	4 969	6	2 881	10	-	10	842	8	5 392	8	5 744	8	6 119	(7.2%)	93.7%	1.2%
Social services prof.	14	2 171	14	2 157	11	2 742	11	2	13	2 488	11	3 139	11	3 346	11	3 464	(5.4%)	11.7%	0.9%
Engineering prof. and related occ.	56	20 517	61	23 699	49	26 353	54	5	59	30 403	51	26 108	51	27 831	51	29 640	(4.7%)	(0.8%)	8.3%
Educators and related prof.	11	1 659	11	1 775	6	1 039	5	1	6	1 530	6	1 626	6	1 733	6	1 744	0.0%	4.5%	0.5%
Others - interns, EPWP, learnerships	36	2 592	55	3 886	19	1 037	29	5	34	6 194	20	1 092	20	1 167	20	1 167	(16.2%)	(42.7%)	0.8%
Total	609	239 766	650	266 232	589	280 036	465	150	615	306 916	678	340 345	678	361 504	678	384 880	3.3%	7.8%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The personnel numbers show a fluctuating trend from 2014/15 to 2016/17. The increases in 2016/17 and over the 2018/19 MTEF relate to inflationary increase and the carry-through costs of previous wage agreements. The increase in 2018/19 is to cater for the filling of 54 critical vacant posts such as Chief Director: Human Capital, Deputy Director in Human Resource Development, Employee Wellness Practitioners, etc., as mentioned. This category shows growth of 10 per cent and therefore is adequate to cater for filling of these posts.

The number of contract workers rises substantially from 2014/15 due to the appointment of staff, such as Quantity Surveyors, Planners, and Project Managers with the technical skills required to over-see various aspects of housing projects. These are appointed on a contract basis as and when required.

9.2 Training

Table 8.25 gives a summary of departmental spending and information on training. The amounts reflected relate mainly to project management, secretarial, financial management and computer training courses for staff. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department abides by this, exceeding the 1 per cent requirement in most years.

Table 8.25 : Information on training: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	609	650	589	618	615	615	678	678	678
Number of personnel trained	557	471	174	600	600	600	600	600	650
of which									
Male	226	225	63	300	300	300	300	300	325
Female	331	246	111	300	300	300	300	300	325
Number of training opportunities	33	55	36	39	39	39	48	39	40
of which									
Tertiary	2	12	13	8	8	8	15	8	8
Workshops	5	6	4	5	5	5	5	5	5
Seminars	5	-	1	1	1	1	3	1	1
Other	21	37	18	25	25	25	25	25	26
Number of bursaries offered	9	12	-	16	16	16	16	16	17
Number of interns appointed	54	52	52	20	20	20	20	20	21
Number of learnerships appointed	-	-	-	10	10	10	-	10	11
Number of days spent on training	114	381	603	200	200	200	600	600	600
Payments on training by programme									
1. Administration	1 016	1 612	631	1 432	1 432	1 432	1 686	1 631	1 734
2. Housing Needs, Research and Planning	321	604	280	500	100	100	500	528	500
3. Housing Development	265	676	3 710	185	-	434	269	210	210
4. Housing Asset Management	-	-	-	-	-	-	-	-	-
Total	1 602	2 892	4 621	2 117	1 532	1 966	2 455	2 369	2 444

ANNEXURE TO VOTE 8 – HUMAN SETTLEMENTS

Table 8.A : Details of departmental receipts: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	813	700	442	590	590	590	624	685	722
Sale of goods and services produced by department (excluding capital assets)	813	700	442	590	590	590	624	685	722
Sales by market establishments	192	257	244	265	265	265	288	317	334
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	621	443	198	325	325	325	336	368	388
Of which									
Commission Insurance	186	204	183	200	200	200	206	219	231
Sale of tender documents	427	218	15	125	125	125	130	139	147
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	573	2 174	10	17	17	19 323	18	19	20
Interest	573	2 174	10	17	17	19 323	18	19	20
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	49	-	539	886	886	32 510	779	635	670
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	49	-	539	886	886	32 510	779	635	670
Transactions in financial assets and liabilities	27 485	165 201	15 072	3 006	3 006	3 006	3 388	3 787	3 995
Total	28 920	168 075	16 063	4 499	4 499	55 429	4 809	5 126	5 407

Table 8.B : Payments and estimates by economic classification: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	362 918	389 360	457 004	428 794	469 792	469 669	495 268	508 758	535 621
Compensation of employees	239 766	266 232	280 036	309 634	307 039	306 916	340 345	361 504	384 880
Salaries and wages	215 346	238 064	248 894	276 230	273 105	272 982	302 365	321 846	342 852
Social contributions	24 420	28 168	31 142	33 404	33 934	33 934	37 980	39 658	42 028
Goods and services	123 151	123 128	176 569	119 160	162 753	162 751	154 923	147 254	150 741
Administrative fees	653	525	582	645	699	692	550	563	563
Advertising	2 348	2 031	768	1 554	438	652	823	778	768
Minor assets	738	2 813	2 304	426	1 531	1 413	393	432	432
Audit cost: External	5 938	6 261	5 815	5 746	8 104	8 104	5 772	5 789	5 739
Bursaries: Employees	230	122	164	150	150	191	200	220	220
Catering: Departmental activities	5 217	2 786	6 101	1 182	4 980	4 745	2 366	2 263	2 308
Communication (G&S)	7 693	8 574	7 308	8 796	7 919	7 821	8 668	8 866	9 342
Computer services	9 681	16 841	10 701	12 023	10 404	10 415	13 296	14 492	15 092
Cons and prof services: Business and advisory services	5 136	2 595	30 268	9 924	2 828	3 461	8 199	8 101	8 101
Infrastructure and planning	1 560	1 371	4 595	1 952	37 724	35 102	35 746	35 969	36 082
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	3 651	3 612	2 532	3 130	3 130	3 324	3 127	3 127	3 127
Contractors	3 023	3 030	8 697	5 745	10 430	10 569	7 159	2 388	2 388
Agency and support / outsourced services	99	85	125	86	-	-	-	-	50
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	4 971	4 209	4 701	4 735	4 816	4 905	4 917	4 935	4 635
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	24	543	18	41	41	23	23	23
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	42	49	25	93	7	21	1	1	1
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	18	287	58	256	30	30	62	72	72
Inventory: Materials and supplies	343	380	890	61	-	-	56	56	56
Inventory: Medical supplies	16	2	3	7	1	1	10	10	10
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	479	500	531	104	1 268	1 937	3 564	1 044	1 044
Consumable: Stationery, printing and office supplies	1 560	1 121	1 346	1 349	1 423	1 423	1 484	1 491	1 542
Operating leases	21 912	20 468	30 966	22 551	21 178	21 133	23 333	25 133	27 475
Property payments	17 143	23 901	32 514	19 389	25 782	25 799	12 799	12 955	12 888
Transport provided: Departmental activity	3 402	698	1 207	133	974	1 008	1 070	1 070	1 070
Travel and subsistence	15 324	13 024	12 903	12 852	13 451	13 558	11 925	11 465	11 636
Training and development	1 602	2 892	4 621	2 117	1 532	1 966	2 455	2 369	2 444
Operating payments	2 990	2 201	1 359	1 818	1 510	1 490	4 965	1 466	1 457
Venues and facilities	4 545	1 694	667	2 201	641	641	265	281	281
Rental and hiring	2 837	1 032	4 275	117	1 762	2 309	1 695	1 895	1 895
Interest and rent on land	1	-	399	-	-	2	-	-	-
Interest	1	-	399	-	-	2	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 429 932	3 726 625	3 065 932	3 389 097	3 565 526	3 565 238	3 147 010	3 274 101	3 516 622
Provinces and municipalities	68 458	163 157	124 345	124 460	124 460	115 305	107 179	108 460	115 460
Provinces	140	104	184	250	250	251	250	250	250
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	140	104	184	250	250	251	250	250	250
Municipalities	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Municipalities	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	145 325	259 644	194 114	220 368	197 441	197 441	192 578	196 062	210 449
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	145 325	259 644	194 114	220 368	197 441	197 441	192 578	196 062	210 449
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100 000	-	-	-	-	-	-
Public corporations	-	-	100 000	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	100 000	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 216 149	3 303 824	2 647 473	3 044 269	3 243 625	3 252 492	2 847 253	2 969 579	3 190 713
Social benefits	334	816	2 733	50	2 932	3 120	54	54	54
Other transfers to households	3 215 815	3 303 008	2 644 740	3 044 219	3 240 693	3 249 372	2 847 199	2 969 525	3 190 659
Payments for capital assets	79 565	14 755	5 596	25 979	31 416	31 827	4 959	4 939	5 164
Buildings and other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Buildings	-	-	1 712	22 026	26 026	26 437	-	-	-
Other fixed structures	67 455	6 170	-	-	-	-	-	-	-
Machinery and equipment	11 731	8 585	3 884	3 953	5 390	5 390	4 959	4 939	5 164
Transport equipment	7 713	-	455	1 050	1 050	1 050	1 550	1 050	1 108
Other machinery and equipment	4 018	8 585	3 429	2 903	4 340	4 340	3 409	3 889	4 056
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	379	-	-	-	-	-	-	-	-
Payments for financial assets	763	285	471	-	-	-	-	-	-
Total	3 873 178	4 131 025	3 529 003	3 843 870	4 066 734	4 066 734	3 647 237	3 787 798	4 057 407

Table 8.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	173 522	188 867	198 248	197 223	208 577	208 577	220 789	233 798	249 874
Compensation of employees	101 270	110 479	118 155	125 871	127 367	127 367	144 604	153 955	166 744
Salaries and wages	88 519	95 434	101 115	107 692	108 993	108 993	124 427	132 051	143 581
Social contributions	12 751	15 045	17 040	18 179	18 374	18 374	20 177	21 904	23 163
Goods and services	72 251	78 388	79 696	71 352	81 210	81 208	76 185	79 843	83 130
Administrative fees	256	294	292	303	450	450	300	299	299
Advertising	2 017	1 412	386	969	415	415	583	538	528
Minor assets	590	2 085	1 399	157	674	674	135	159	159
Audit cost: External	5 938	6 261	5 815	5 746	8 104	8 104	5 772	5 789	5 739
Bursaries: Employees	230	122	164	150	150	191	200	220	220
Catering: Departmental activities	261	298	108	188	188	188	203	166	174
Communication (G&S)	5 136	5 747	4 563	5 976	7 379	7 301	8 071	8 263	8 719
Computer services	8 487	16 210	10 518	11 171	10 087	10 087	13 111	14 307	14 902
Cons and prof services: Business and advisory services	309	97	89	61	46	46	76	60	60
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 243	2 205	1 339	2 930	2 930	2 930	2 900	2 900	2 900
Contractors	692	77	3	60	2 876	2 895	134	144	144
Agency and support / outsourced services	84	85	103	86	-	-	-	-	50
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	4 763	3 899	4 268	4 425	4 425	4 425	4 415	4 433	4 133
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	2	1	-	3	3	23	23	23
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	23	30	8	71	1	17	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	16	103	40	168	-	-	-	-	-
Inventory: Materials and supplies	48	87	520	56	-	-	56	56	56
Inventory: Medical supplies	16	2	3	1	-	-	10	10	10
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	213	88	197	73	1 017	1 017	146	134	134
Consumable: Stationery, printing and office supplies	1 268	1 043	1 267	1 171	1 323	1 323	1 388	1 390	1 442
Operating leases	21 216	19 626	30 517	22 501	20 803	20 803	22 977	24 777	27 119
Property payments	11 360	11 933	12 999	7 716	13 644	13 644	8 629	9 018	9 064
Transport provided: Departmental activity	-	36	-	-	-	-	-	-	-
Travel and subsistence	4 497	3 837	3 483	4 809	4 181	4 181	4 311	4 467	4 472
Training and development	1 016	1 612	631	1 432	1 432	1 432	1 686	1 631	1 734
Operating payments	1 540	1 188	983	1 082	1 082	1 082	1 009	1 009	999
Venues and facilities	29	4	-	50	-	-	50	50	50
Rental and hiring	3	5	-	-	-	-	-	-	-
Interest and rent on land	1	-	397	-	-	2	-	-	-
Interest	1	-	397	-	-	2	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 180	1 195	3 037	887	1 639	1 639	887	887	943
Provinces and municipalities	132	98	132	250	250	250	250	250	250
Provinces	132	98	132	250	250	250	250	250	250
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	132	98	132	250	250	250	250	250	250
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	705	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	705	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 343	1 097	2 905	637	1 389	1 389	637	637	693
Social benefits	-	388	1 674	-	685	750	-	-	-
Other transfers to households	1 343	709	1 231	637	704	639	637	637	693
Payments for capital assets	6 446	8 181	3 523	3 138	4 564	4 564	4 098	4 078	4 303
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 446	8 181	3 523	3 138	4 564	4 564	4 098	4 078	4 303
Transport equipment	3 161	-	455	1 050	1 050	1 050	1 550	1 050	1 108
Other machinery and equipment	3 285	8 181	3 068	2 088	3 514	3 514	2 548	3 028	3 195
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	699	17	471	-	-	-	-	-	-
Total	182 847	198 260	205 279	201 248	214 780	214 780	225 774	238 763	255 120

Table 8.D : Payments and estimates by economic classification: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	14 209	16 411	15 875	16 903	16 668	16 646	17 968	18 975	20 372
Compensation of employees	11 165	12 885	12 991	14 524	13 674	13 652	15 779	16 828	18 271
Salaries and wages	9 784	11 289	11 306	12 307	11 457	11 435	13 556	14 449	15 729
Social contributions	1 381	1 596	1 685	2 217	2 217	2 217	2 223	2 379	2 542
Goods and services	3 044	3 526	2 884	2 379	2 994	2 994	2 189	2 147	2 101
Administrative fees	42	36	36	40	40	38	43	35	35
Advertising	5	2	-	5	5	5	-	-	-
Minor assets	1	-	67	10	20	22	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	974	1 578	1 456	527	1 813	1 802	765	751	788
Communication (G&S)	187	185	243	224	-	-	-	-	-
Computer services	79	26	21	15	47	58	23	16	16
Cons and prof services: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	3	12	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	4	4	2	4	6	4	1	1	1
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	92	10	28	20	20	2	2	2
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	5	1	4	4	6	4	4	4
Consumable: Stationery, printing and office supplies	47	50	64	65	33	33	25	23	22
Operating leases	90	94	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 208	799	703	930	889	889	809	769	714
Training and development	321	604	280	500	100	100	500	528	500
Operating payments	77	39	1	17	17	17	17	18	19
Venues and facilities	6	-	-	10	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	7	-	-	-	-	22	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7	-	-	-	-	22	-	-	-
Social benefits	7	-	-	-	-	22	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	53	-	11	11	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	53	-	11	11	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	53	-	11	11	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	7	-	-	-	-	-	-	-	-
Total	14 223	16 411	15 928	16 903	16 679	16 679	17 968	18 975	20 372

Table 8.E : Payments and estimates by economic classification: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	175 187	184 082	242 881	214 668	244 547	244 446	256 511	255 985	265 375
Compensation of employees	127 331	142 868	148 890	169 239	165 998	165 897	179 962	190 721	199 865
Salaries and wages	117 043	131 341	136 473	156 231	152 655	152 554	164 382	175 346	183 542
Social contributions	10 288	11 527	12 417	13 008	13 343	13 343	15 580	15 375	16 323
Goods and services	47 856	41 214	93 989	45 429	78 549	78 549	76 549	65 264	65 510
Administrative fees	355	195	254	302	209	204	207	229	229
Advertising	326	617	382	580	18	232	240	240	240
Minor assets	147	728	838	259	837	717	258	273	273
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	3 982	910	4 537	467	2 979	2 755	1 398	1 346	1 346
Communication (G&S)	2 370	2 642	2 502	2 596	540	520	597	603	623
Computer services	1 115	605	162	837	270	270	162	169	174
Cons and prof services: Business and advisory services	4 827	2 498	30 179	9 863	2 782	3 415	8 123	8 041	8 041
Infrastructure and planning	1 560	1 371	4 595	1 952	37 724	35 102	35 746	35 969	36 082
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 408	1 407	1 193	200	200	394	227	227	227
Contractors	2 328	2 941	8 694	5 685	7 554	7 674	7 025	2 244	2 244
Agency and support / outsourced services	15	-	22	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	208	310	433	310	391	480	502	502	502
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	22	542	18	38	38	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	15	15	15	18	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	2	92	8	60	10	10	60	70	70
Inventory: Materials and supplies	295	293	370	5	-	-	-	-	-
Inventory: Medical supplies	-	-	-	6	1	1	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	266	407	333	27	247	914	3 414	906	906
Consumable: Stationery, printing and office supplies	245	28	15	113	67	67	71	78	78
Operating leases	606	748	449	50	375	330	356	356	356
Property payments	5 783	11 968	19 515	11 673	12 138	12 155	4 170	3 937	3 824
Transport provided: Departmental activity	3 402	662	1 207	133	974	1 008	1 070	1 070	1 070
Travel and subsistence	9 619	8 388	8 717	7 113	8 381	8 488	6 805	6 229	6 450
Training and development	265	676	3 710	185	-	434	269	210	210
Operating payments	1 373	974	375	719	411	391	3 939	439	439
Venues and facilities	4 510	1 690	667	2 141	641	641	215	231	231
Rental and hiring	2 834	1 027	4 275	117	1 762	2 309	1 695	1 895	1 895
Interest and rent on land	-	-	2	-	-	-	-	-	-
Interest	-	-	2	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 284 057	3 483 786	2 868 781	3 181 842	3 366 446	3 366 136	2 953 545	3 077 152	3 305 230
Provinces and municipalities	68 326	163 059	124 213	124 210	124 210	115 055	106 929	108 210	115 210
Provinces	8	6	52	-	-	1	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	8	6	52	-	-	1	-	-	-
Municipalities	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Municipal agencies and funds	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Departmental agencies and accounts	932	18 000	-	14 000	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	932	18 000	-	14 000	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100 000	-	-	-	-	-	-
Public corporations	-	-	100 000	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	100 000	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 214 799	3 302 727	2 644 568	3 043 632	3 242 236	3 251 081	2 846 616	2 968 942	3 190 020
Social benefits	327	428	1 059	50	2 247	2 348	54	54	54
Other transfers to households	3 214 472	3 302 299	2 643 509	3 043 582	3 239 989	3 248 733	2 846 562	2 968 888	3 189 966
Payments for capital assets	73 119	6 531	1 950	22 841	26 841	27 252	861	861	861
Buildings and other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Buildings	-	-	1 712	22 026	26 026	26 437	-	-	-
Other fixed structures	67 455	6 170	-	-	-	-	-	-	-
Machinery and equipment	5 285	361	238	815	815	815	861	861	861
Transport equipment	4 552	-	-	-	-	-	-	-	-
Other machinery and equipment	733	361	238	815	815	815	861	861	861
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	379	-	-	-	-	-	-	-	-
Payments for financial assets	57	268	-	-	-	-	-	-	-
Total economic classification	3 532 420	3 674 667	3 113 612	3 419 351	3 637 834	3 637 834	3 210 917	3 333 998	3 571 466

Table 8.F : Payments and estimates by economic classification: Housing Asset Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons and prof services: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	143 688	241 644	194 114	206 368	197 441	197 441	192 578	196 062	210 449
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	143 688	241 644	194 114	206 368	197 441	197 441	192 578	196 062	210 449
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	143 688	241 644	194 114	206 368	197 441	197 441	192 578	196 062	210 449
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	43	70	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	43	70	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	43	70	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	143 688	241 687	194 184	206 368	197 441	197 441	192 578	196 062	210 449

Table 8.G : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	95 845	97 284	156 190	122 005	155 774	155 774	161 114	155 326	155 326
Compensation of employees	57 656	64 621	69 736	82 564	82 414	82 414	88 178	94 174	94 174
Salaries and wages	56 792	63 632	68 776	81 111	80 961	80 961	86 621	92 617	92 617
Social contributions	864	989	960	1 453	1 453	1 453	1 557	1 557	1 557
Goods and services	38 189	32 663	86 454	39 441	73 360	73 360	72 936	61 152	61 152
Administrative fees	240	84	166	162	100	95	95	95	95
Advertising	257	615	381	580	18	232	240	240	240
Minor assets	83	599	810	163	701	590	185	185	185
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	3 908	901	4 402	456	2 341	2 747	1 387	1 335	1 335
Communication (G&S)	540	684	1 009	753	540	520	541	541	541
Computer services	274	184	-	725	-	-	-	-	-
Cons and prof services: Business and advisory services	4 827	2 498	30 179	9 863	2 782	3 415	8 123	8 041	8 041
Infrastructure and planning	1 560	1 371	4 595	1 952	37 724	35 102	35 746	35 969	36 082
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 401	1 405	1 193	200	200	394	227	227	227
Contractors	2 295	2 941	8 658	5 685	8 230	7 670	7 025	2 244	2 244
Agency and support / outsourced services	15	-	22	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	208	310	433	310	391	480	502	502	502
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	22	540	18	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	1	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	292	281	365	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	216	391	330	-	208	866	1 683	870	870
Consumable supplies	82	11	-	-	-	-	1 683	-	-
Consumable: Stationery, printing and office supplies	129	244	449	50	375	330	356	356	356
Operating leases	5 783	11 968	18 890	11 673	12 138	12 155	4 170	3 937	3 824
Property payments	3 402	662	1 169	133	974	1 008	1 070	1 070	1 070
Transport provided: Departmental activity	4 904	4 007	4 491	4 091	4 138	4 295	4 145	3 145	3 145
Travel and subsistence	265	676	3 710	185	-	434	269	210	210
Training and development	163	92	5	184	97	77	3 579	59	59
Operating payments	4 510	1 690	667	2 141	641	641	215	231	231
Venues and facilities	2 834	1 027	3 990	117	1 762	2 309	1 695	1 895	1 895
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 340 206	3 446 176	2 980 404	3 338 471	3 502 074	3 501 663	3 103 718	3 226 108	3 465 076
Provinces and municipalities	68 326	163 059	124 213	124 210	124 210	115 055	106 929	108 210	115 210
Provinces	8	6	52	-	-	1	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	8	6	52	-	-	1	-	-	-
Municipalities	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Municipalities	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	98 059	162 054	135 678	170 629	156 629	156 629	150 173	148 956	159 846
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	98 059	162 054	135 678	170 629	156 629	156 629	150 173	148 956	159 846
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100 000	-	-	-	-	-	-
Public corporations	-	-	100 000	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	100 000	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 173 821	3 121 063	2 620 513	3 043 632	3 221 235	3 229 979	2 846 616	2 968 942	3 190 020
Social benefits	12	77	363	50	200	200	54	54	54
Other transfers to households	3 173 809	3 120 986	2 620 150	3 043 582	3 221 035	3 229 779	2 846 562	2 968 888	3 189 966
Payments for capital assets	72 994	6 450	1 930	22 716	26 716	27 127	831	831	831
Buildings and other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Machinery and equipment	5 160	280	218	690	690	690	831	831	831
Transport equipment	4 552	-	-	-	-	-	-	-	-
Other machinery and equipment	608	280	218	690	690	690	831	831	831
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	379	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 509 045	3 549 910	3 138 524	3 483 192	3 684 564	3 684 564	3 265 663	3 382 265	3 621 233

Table 8.H : Payments and estimates by economic classification: Human Settlements Development grant: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	95 845	94 391	144 785	116 380	150 149	150 149	149 630	155 326	155 326
Compensation of employees	57 656	64 621	69 736	82 564	82 414	82 414	88 178	94 174	94 174
Salaries and wages	56 792	63 632	68 776	81 111	80 961	80 961	86 621	92 617	92 617
Social contributions	864	989	960	1 453	1 453	1 453	1 557	1 557	1 557
Goods and services	38 189	29 770	75 049	33 816	67 735	67 735	61 452	61 152	61 152
Administrative fees	240	84	166	162	100	95	95	95	95
Advertising	257	602	354	580	18	232	240	240	240
Minor assets	83	453	810	163	701	590	185	185	185
Catering: Departmental activities	3 908	901	3 586	456	2 341	2 159	1 387	1 335	1 335
Communication (G&S)	540	684	1 009	753	540	520	541	541	541
Computer services	274	184	-	725	-	-	-	-	-
Cons and prof services: Business and advisory services	4 827	2 498	30 179	9 863	2 782	3 415	8 123	8 041	8 041
Infrastructure and planning	1 560	1 371	4 595	1 952	37 724	35 102	35 746	35 969	36 082
Legal costs	1 401	1 405	1 193	200	200	394	227	227	227
Contractors	2 295	1 202	3 343	60	2 605	3 731	744	2 244	2 244
Agency and support / outsourced services	15	-	22	-	-	-	-	-	-
Fleet services (incl. GMT)	208	310	433	310	391	480	502	502	502
Inventory: Clothing material and accessories	-	22	3	18	-	-	-	-	-
Inventory: Food and food supplies	1	-	-	-	-	-	-	-	-
Inventory: Material and supplies	292	-	-	-	-	-	-	-	-
Consumable supplies	216	7	62	-	208	215	1 683	870	870
Consumable: Stationery, printing and office supplies	82	11	-	-	-	-	-	-	-
Operating leases	129	244	449	50	375	330	356	356	356
Property payments	5 783	11 968	18 890	11 673	12 138	12 155	4 170	3 937	3 824
Transport provided: Departmental activity	3 402	612	1 079	133	974	1 008	1 070	1 070	1 070
Travel and subsistence	4 904	4 007	4 491	4 091	4 138	4 282	4 145	3 145	3 145
Training and development	265	676	87	185	-	-	269	210	210
Operating payments	163	92	5	184	97	77	59	59	59
Venues and facilities	4 510	1 690	667	2 141	641	641	215	231	231
Rental and hiring	2 834	747	3 626	117	1 762	2 309	1 695	1 895	1 895
Transfers and subsidies	3 243 079	3 298 957	2 840 937	3 181 842	3 345 445	3 345 034	2 867 048	2 983 941	3 192 202
Provinces and municipalities	68 326	163 059	124 213	124 210	124 210	115 055	106 929	108 210	115 210
Provinces	8	6	52	-	-	1	-	-	-
Provincial agencies and funds	8	6	52	-	-	1	-	-	-
Municipalities	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Municipalities	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210
Departmental agencies and accounts	932	18 000	-	14 000	-	-	-	-	-
Entities receiving funds	932	18 000	-	14 000	-	-	-	-	-
Public corporations and private enterprises	-	-	100 000	-	-	-	-	-	-
Public corporations	-	-	100 000	-	-	-	-	-	-
Other transfers	-	-	100 000	-	-	-	-	-	-
Households	3 173 821	3 117 898	2 616 724	3 043 632	3 221 235	3 229 979	2 760 119	2 875 731	3 076 992
Social benefits	12	77	363	50	200	200	54	54	54
Other transfers to households	3 173 809	3 117 821	2 616 361	3 043 582	3 221 035	3 229 779	2 760 065	2 875 677	3 076 938
Payments for capital assets	72 994	6 450	1 930	22 716	26 716	27 127	831	831	831
Buildings and other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Other fixed structures	67 455	6 170	1 712	22 026	26 026	26 437	-	-	-
Machinery and equipment	5 160	280	218	690	690	690	831	831	831
Transport equipment	4 552	-	-	-	-	-	-	-	-
Other machinery and equipment	608	280	218	690	690	690	831	831	831
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 411 918	3 399 798	2 987 652	3 320 938	3 522 310	3 522 310	3 017 509	3 140 098	3 348 359

Table 8.I : Payments and estimates by economic classification: Human Settlements Development grant: Programme 4

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	97 127	144 054	135 678	156 629	156 629	156 629	135 248	135 027	159 846
Departmental agencies and accounts	97 127	144 054	135 678	156 629	156 629	156 629	135 248	135 027	159 846
Entities receiving funds	97 127	144 054	135 678	156 629	156 629	156 629	135 248	135 027	159 846
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	97 127	144 054	135 678	156 629	156 629	156 629	135 248	135 027	159 846

Table 8.J : Payments and estimates by economic classification: EPWP Grant Integrated Grant for Provinces: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	2 893	11 405	5 625	5 625	5 625	11 484	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	2 893	11 405	5 625	5 625	5 625	11 484	-	-
Advertising	-	13	27	-	-	-	-	-	-
Minor assets	-	146	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	816	-	-	588	-	-	-
Contractors	-	1 739	5 315	5 625	5 625	3 939	6 281	-	-
Inventory: Clothing material and accessories	-	-	537	-	-	-	-	-	-
Inventory: Material and supplies	-	281	365	-	-	-	-	-	-
Consumable supplies	-	384	268	-	-	651	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	1 683	-	-
Transport provided: Departmental activity	-	50	90	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	13	-	-	-
Training and development	-	-	3 623	-	-	434	-	-	-
Operating payments	-	-	-	-	-	-	3 520	-	-
Rental and hiring	-	280	364	-	-	-	-	-	-
Transfers and subsidies	-	3 165	3 789	-	-	-	-	-	-
Households	-	3 165	3 789	-	-	-	-	-	-
Other transfers to households	-	3 165	3 789	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	6 058	15 194	5 625	5 625	5 625	11 484	-	-

Table 8.K : Payments and estimates by economic classification: Title Deeds Restoration grant: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	86 497	93 211	113 028
Households	-	-	-	-	-	-	86 497	93 211	113 028
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	86 497	93 211	113 028
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	86 497	93 211	113 028

Table 8.L : Payments and estimates by economic classification: Title Deeds Restoration grant: Programme 4

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	14 925	13 929	-
Departmental agencies and accounts	-	-	-	-	-	-	14 925	13 929	-
Entities receiving funds	-	-	-	-	-	-	14 925	13 929	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	14 925	13 929	-

Table 8.M : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	46 165	132 403	88 057	86 966	86 966	76 143	75 235	75 418	77 966
Total: Ugu Municipalities	-	3 603	3 306	5 082	5 082	6 386	4 337	4 520	5 082
B KZN212 uMdoni	-	-	-	-	-	1 304	-	-	-
B KZN213 uMzombe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	-	3 603	3 306	5 082	5 082	5 082	4 337	4 520	5 082
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	10 188	12 581	15 778	9 688	9 688	9 688	8 281	8 464	9 688
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpindle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	10 188	12 581	15 778	9 688	9 688	9 688	8 281	8 464	9 688
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	654	1 203	1 544	3 959	3 959	3 959	3 377	3 560	3 959
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	654	1 203	1 544	3 959	3 959	3 959	3 377	3 560	3 959
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 eNdumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nguthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	3 029	4 561	4 932	8 761	8 761	8 761	7 437	7 620	8 761
B KZN252 Newcastle	3 029	4 561	4 932	8 761	8 761	8 761	7 437	7 620	8 761
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	5 548	-	-	363	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 AbaQulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	5 548	-	-	363	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 uMhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	2 294	4 246	1 657	2 628	2 628	2 628	2 213	2 396	2 628
B KZN281 uMfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	2 294	4 246	1 657	2 628	2 628	2 628	2 213	2 396	2 628
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 iMthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	5 988	4 456	3 339	7 126	7 126	7 126	6 049	6 232	7 126
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	5 988	4 456	3 339	7 126	7 126	7 126	6 049	6 232	7 126
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	68 318	163 053	124 161	124 210	124 210	115 054	106 929	108 210	115 210

Table 8.N : Transfers to local government - CRU Programme and Municipal Rates and Taxes

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	10 858	108 757	65 142	69 000	69 000	60 000	60 000	60 000	60 000
Total: Ugu Municipalities	-	-	-	-	-	1 304	-	-	-
B KZN212 uMdoni	-	-	-	-	-	1 304	-	-	-
Total: Zululand Municipalities	-	-	5 548	-	-	363	-	-	-
B KZN266 Ulundi	-	-	5 548	-	-	363	-	-	-
Total	10 858	108 757	70 690	69 000	69 000	61 667	60 000	60 000	60 000

Table 8.O : Transfers to local government - Accredited Municipalities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	35 307	23 646	22 915	17 966	17 966	16 143	15 235	15 418	17 966
Total: Ugu Municipalities	-	3 603	3 306	5 082	5 082	5 082	4 337	4 520	5 082
B KZN216 Ray Nkonyeni	-	3 603	3 306	5 082	5 082	5 082	4 337	4 520	5 082
Total: uMgungundlovu Municipalities	10 188	12 581	15 778	9 688	9 688	9 688	8 281	8 464	9 688
B KZN225 Msunduzi	10 188	12 581	15 778	9 688	9 688	9 688	8 281	8 464	9 688
Total: uThukela Municipalities	654	1 203	1 544	3 959	3 959	3 959	3 377	3 560	3 959
B KZN238 Alfred Duma	654	1 203	1 544	3 959	3 959	3 959	3 377	3 560	3 959
Total: Amajuba Municipalities	3 029	4 561	4 932	8 761	8 761	8 761	7 437	7 620	8 761
B KZN252 Newcastle	3 029	4 561	4 932	8 761	8 761	8 761	7 437	7 620	8 761
Total: King Cetshwayo Municipalities	2 294	4 246	1 657	2 628	2 628	2 628	2 213	2 396	2 628
B KZN282 uMhlathuze	2 294	4 246	1 657	2 628	2 628	2 628	2 213	2 396	2 628
Total: iLembe Municipalities	5 988	4 456	3 339	7 126	7 126	7 126	6 049	6 232	7 126
B KZN292 KwaDukuza	5 988	4 456	3 339	7 126	7 126	7 126	6 049	6 232	7 126
Total	57 460	54 296	53 471	55 210	55 210	53 387	46 929	48 210	55 210

VOTE 9

Community Safety and Liaison

Operational budget	R224 949 000
MEC remuneration	Nil
Total amount to be appropriated	R224 949 000
Responsible MEC	MEC for Transport, Community Safety and Liaison ¹
Administering department	Community Safety and Liaison
Accounting officer	Head: Community Safety and Liaison

1. Overview

Vision

The department's vision is to see that: *The people of KZN live in a safe and secure environment.*

Mission statement

The mission set for the department is: *To be the lead department in co-ordinating integrated, participatory community safety initiatives and promoting police accountability towards a crime free KZN.*

Strategic objectives

Strategic policy direction: By focussing on its role of creating a secure environment in which all South Africans can live, the department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: that all people in South Africa are and feel safe, and a long and healthy life for all is achieved.

The strategic objectives set by the department are to:

- Evaluate police service delivery and compliance with national policy standards and make recommendations for redress where required.
- Assess the effectiveness of visible policing in the province.
- Improve South African Police Service (SAPS) efficiency and effectiveness through independent service delivery evaluation and reward.
- Improve public confidence and trust in the police.
- Address service delivery complaints against the police to support the raising of service standards.
- Oversee the establishment and functioning of Community Policing Forums (CPFs) at all police stations in the province.
- Enhance the capacity of community police structures to improve co-operation between the police and the community.
- Promote community dialogue and participation in support of crime prevention initiatives and activities.
- Execute social crime prevention programmes at provincial and local level.
- Research and develop social crime prevention responses to community safety priorities.

¹ The salary of the MEC for Transport, Community Safety and Liaison is budgeted for under Vote 12: Transport.

- Consolidate the community safety network structure.
- Promote the establishment of a victim support network.
- Raise awareness of protective rights among vulnerable groups.
- Promote corporate governance and provide strategic project support.
- Implement the Volunteer Social Crime Prevention Programme (VSCPP).

Core functions

The provincial department is responsible for the following functions in line with the effective implementation of the Civilian Secretariat for Police Services Act, 2011:

- Promoting democratic accountability and transparency in the police service.
- Promoting good relations and establishing partnerships between the police and communities.
- Directing the SAPS toward effectively addressing provincial needs and priorities.
- Facilitating the development and co-ordination of social crime prevention initiatives.
- Promoting and supporting victim empowerment.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- The Constitution of the Republic of South Africa, 1996
- South African Police Service Act, 1995 and regulations
- National Crime Prevention Strategy, 1996 (Revised 1999)
- Firearms Control Act, 2000
- KwaZulu-Natal Commissions Act, 1999
- Domestic Violence Act, 1998
- Child Care Act, 1983
- Maintenance Act, 1998
- Criminal Procedure Act, 1977
- Public Finance Management Act, 1999, as amended, and the Treasury Regulations
- Public Service Act, 1994 and regulations
- Labour Relations Act, 1995
- Basic Conditions of Employment Act, 1997
- Employment Equity Act, 1998
- Skills Development Act, 1998
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Promotion of Administrative Justice Act, 2000
- Promotion of Access to Information Act, 2000
- Preferential Procurement Policy Framework Act, 2001
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- Electronic Communications and Transactions Act, 2002
- Regulation of Interception and Provision of Communication-Related Information Act, 2002
- State Information Technology Agency Act, 1999
- Second-Hand Goods Act, 2009

- National Youth Development Agency Act, 2008
- Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2007
- Older Persons' Act, 2006
- Children's Act, 2005
- Child Justice Act, 2008
- Civilian Secretariat for Police Services Act, 2011
- Electoral Act, 2016

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and the progress made by the department during the year, as well as providing a discussion on challenges and new developments.

Decentralisation strategy

In 2017/18, the department advertised most of the posts pertaining to the decentralisation strategy, specifically phases two and three posts. There were delays in the filling of 37 posts, including 24 Assistant Directors and 13 Administrative Officers, due to lengthy vetting processes, such as qualification verifications and security checks, which need to be conducted before appointments are made. The department filled 14 posts in respect of the advertised posts. With regards to district office functionality, 12 district offices, including Amajuba, iLembe, Harry Gwala, uMzinyathi, uThukela, eThekweni North in Commercial City, eThekweni West in Pinetown, eThekweni South at Truro House, uMgungundlovu (accommodates the district and head office), Zululand district, Ugu district, among others, are fully functional. The district office in uMkhanyakude is currently utilising a parkhome. Currently, there is no office in the King Cetshwayo district.

Overseeing the effectiveness and efficiency of the police service

The department continued to monitor police conduct and to oversee the effectiveness and efficiency of the police service, including receiving reports on the police service at various police stations. The department monitored 104 police stations. Furthermore, 55 police stations were monitored on Domestic Violence Act (DVA) compliance which includes, among others, the availability of victim friendly environments for victims of domestic violence in police stations. The department also monitored the SAPS headquarters.

Station evaluations

The department received and investigated 165 public complaints alleging police inefficiency. The investigated complaints related to poor service delivery, poor investigation, unprofessional conduct, poor communication, among others.

Establishment and maintenance of safety structures

The united front against crime continues to be one of the driving forces of the department in fighting crime. The department continued to establish and facilitate the establishment of safety structures in the province. However, the establishment of Community Safety Forums (CSF) has been a challenge, including the proper interpretation of the CSF policy. A CSF policy workshop was conducted to ensure improvement in establishment of CSFs. During the year, 50 ward safety committees were established against a target of 65.

The department facilitated the establishment of CPFs and school safety committees, and further ensured that these structures, as well as the KZN Community Crime Prevention Association (KZNCCPA), functioned effectively.

Volunteer Social Crime Prevention Project (VSCPP)

The department currently deploys 1 450 social crime volunteers. The responsibility of volunteers, among others is to work at ground level for the department with regard to any safety issues in communities where they are deployed. The department ensured that volunteers are trained in various fields of development to equip them with the skills necessary for the performance of their functions. The volunteer training

programmes ranged from leadership courses, financial management, legal aid assistance, computer training, as well as mentoring and coaching skills.

Crime Prevention Programmes

Substance and drug abuse: In addressing these social ills, districts work in collaboration with communities and other stakeholders including crime fighting agencies.

Public transport violence: Wide ranging interventions were conducted in various parts of the province to stabilise the taxi industry. An agreement was reached with the South African National Taxi Council (SANTACO) to jointly intervene in conflict situations.

Violence against women and children: The department continued to engage in vigorous awareness campaigns during the 16 days of activism for no violence against women and children.

Community in Dialogue Programme (CiDP): The CiDP was used successfully to intervene in conflict involving KZN citizens based in Gauteng hostels. This initiative was led by traditional leaders.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. During 2018/19, the department will continue with the roll-out of the Civilian Secretariat for Police Services Act. The bulk of the department's budget over the 2018/19 MTEF is for community safety initiatives, including the VSCPP, maintenance of CSFs and CPFs, crime awareness campaigns (prevention of violence against vulnerable groups including children and youth, etc., rural safety and public participation in community safety, etc.), as well as the monitoring and evaluation of police performance.

Station evaluations

The department will undertake the monitoring of all 184 police stations, as part of the national census programme using the national monitoring tool and domestic violence tool. The department will continue to monitor 20 specialised units across the province including stock theft, family violence, and the child protection and sexual offences units. Also, the Metro police will be monitored. The department will continue to investigate and finalise complaints against the SAPS in accordance with the constitutional mandate, and will ensure that recommendations from IPID to SAPS are followed through. The department will monitor compliance in terms of the school safety crime prevention protocol between the SAPS and the Department of Education.

Establishment and maintenance of safety structures

In 2018/19, the department will continue to establish safety structures across the province. The department will ensure that capacity building through training, workshops, inductions, etc. is provided to established structures. The department will continue to mobilise communities through voting districts and ultimately forming ward safety committees. The CPFs will continue to be audited for functionality and, where functionality is questioned, the department will facilitate re-establishment.

Crime prevention programmes

The department will look to further strengthen its relationship with SAPS in 2018/19, and to reinforce the regularisation and co-operation of voluntary crime fighting organisations, such as neighbourhood watch, street committees and other groupings, so that they no longer operate in isolation. This will provide a vehicle to mobilise communities against crime and to improve community police relations. The department will implement various crime prevention programmes, such as the prevention of violence against vulnerable groups including children, youth, women, persons living with disabilities and the elderly, as well as anti-substance abuse, public participation in community safety and community outreach/awareness, and rural safety (stock theft, farm killings, initiation schools, rhino poaching), etc.

Volunteer Social Crime Prevention Project (VSCPP)

The VSCPP involves the recruitment of volunteers in order to establish a community engagement mechanism for law enforcement agencies, with the key objective being to drive social crime prevention

and provide important on-the-job training for the employed candidates. In terms of this project, volunteers monitor crime hotspots such as taverns, ATMs and shopping malls. In 2018/19 the department will appoint 325 additional volunteers funded from the Social Sector EPWP Incentive Grant for Provinces. This will increase the number of volunteers paid against the grant to 380, as there are 55 volunteers who are already employed.

4. Reprioritisation

The department was provided additional funding in terms of carry-through costs of the new organisational structure, however, due to the extent of the funds required for the structure, it was necessary that further reprioritisation be undertaken within the department's baseline.

As such, in 2018/19 and 2019/20, amounts of R3.533 million and R5.077 million, respectively, were reprioritised from Programme 2: Provincial Secretariat for Police Service mainly against *Goods and services* to *Compensation of employees* under Programme 1: Administration to cater for the full staff establishment in respect of the decentralisation strategy, as well as *Goods and services* against training and development and purchases of minor assets such as computer laptops and desktops, office furniture, etc.

5. Procurement

The department will continue to strengthen SCM around the areas of asset management, demand and acquisition management through increasing capacity and continuous training, as well as keeping abreast of latest SCM policies, circulars and changes. Major procurement to be undertaken in 2018/19 relates to community interventions where the department has to procure the services of consultants to undertake CiDP and other social crime prevention programmes.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 9.1 shows the sources of funding of Vote 9 over the seven-year period 2014/15 to 2020/21. It also compares actual and budgeted receipts against actual and budgeted payments.

Table 9.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	172 112	181 069	186 357	194 890	194 890	194 890	206 113	228 047	242 765
Conditional grants	2 580	1 000	11 043	1 487	1 487	1 487	10 321	-	-
Social Sector EPWP Incentive Grant for Provinces	2 580	1 000	11 043	1 487	1 487	1 487	10 321	-	-
Total receipts	174 692	182 069	197 400	196 377	196 377	196 377	216 434	228 047	242 765
Total payments	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765
Surplus/(Deficit) before financing	(4 547)	(8 742)	(9 246)	(8 109)	(8 109)	(8 109)	(8 515)	-	-
Financing of which									
Provincial roll-overs	-	-	-	-	-	-	-	-	-
Provincial cash resources	5 000	8 976	12 723	8 109	8 109	8 109	8 515	-	-
Surplus/(Deficit) after financing	453	234	3 477	-	-	-	-	-	-

In 2014/15, provincial cash resources of R5 million were allocated to assist the department with the phased-in implementation of the revised organisational structure in terms of the decentralisation strategy. The department under-spent its budget by R453 000, mainly because several vacant posts were filled from within the department, thus creating a vacancy elsewhere. This also meant that less office furniture and equipment had to be purchased than originally planned.

In 2015/16, the department received a further allocation of R5 million from provincial cash resources to assist with the phased-in implementation of the revised organisational structure. In addition, an amount of R3.976 million was allocated to fund various anti-xenophobia campaigns. The department under-spent its budget by R234 000, mainly because several vacant posts were filled from within the department.

In 2016/17, the department received an amount of R7.723 million that was rolled over from 2012/13 to 2016/17, for the continued phasing-in of the revised organisational structure. The provincial cash resources also included a once-off R5 million to strengthen departmental oversight during the 2016 local government elections. There was a significant increase to R11.043 million in respect of the Social Sector EPWP Incentive Grant for Provinces, used for the payment of stipends for the VSCPP volunteers. The department under-spent its budget by R3.477 million, mainly because of under-spending relating to the non-filling of posts in respect of phases two and three of the organisational structure. Also, the number of volunteers which were appointed in respect of the Social Sector EPWP Incentive Grant for Provinces was lower than anticipated. The department indicated that there were 49 fewer volunteers in the VSCPP due to delays in the beneficiary verification process and this resulted in the grant being under-spent.

In 2017/18, the department received provincial cash resources of R8.109 million, being funds for the carry-through costs of the continued roll-out of the new structure up to 2019/20, and these funds become part of the baseline thereafter. The department is anticipating a balanced budget at the end of 2017/18.

The department receives provincial cash resources of R8.515 million in 2018/19 for the carry-through costs of the continued roll-out of the new structure, and this is included as part of the department's baseline from 2019/20 onwards. The allocation for the Social Sector EPWP Incentive Grant for Provinces increases significantly to R10.321 million in 2018/19. This provides for the appointment of 325 additional volunteers in the VSCPP programme. It should be noted that these will be additional to the 55 volunteers appointed in 2017/18 to increase the number to 380.

6.2 Departmental receipts collection

Table 9.2 shows the sources of own revenue collected by the department. Details of departmental receipts are presented in *Annexure – Vote 9: Community Safety and Liaison*.

Table 9.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	72	93	133	76	76	168	80	86	91
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	1	-	-	1	-	-	-
Sale of capital assets	-	663	404	-	-	-	-	-	-
Transactions in financial assets and liabilities	4	-	-	25	25	25	27	28	30
Total	76	756	538	101	101	194	107	114	121

Sale of goods and services other than capital assets is derived from state-owned property rentals, parking fees and commission received on payroll deductions from insurance companies. The department is expecting to over-collect in the 2017/18 Revised Estimate mainly from commission and parking fees which were under-budgeted. The revenue budget for the MTEF is conservative and will be reviewed in the next budget process.

Interest, dividends and rent on land mainly relates to interest earned on staff debts.

Sale of capital assets collected R663 000 in 2015/16 and R404 000 in 2016/17 from the disposal of redundant office equipment and vehicles. The department anticipates no sales over the MTEF at this stage. This category will be reviewed in-year.

Transactions in financial assets and liabilities derives its revenue mainly from recoveries of outstanding staff debts. Revenue from this category is difficult to predict, and this explains the conservative growth over the MTEF.

6.3 Donor funding – Nil

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including the payments and budgeted estimates in terms of programmes and economic classification.

Further details are given in Section 8, as well as in the *Annexure – Vote 9: Community Safety and Liaison*.

7.1 Key assumptions

The following assumptions and factors were taken into account in finalising the budget allocations:

- In terms of National Treasury's guidelines, the prescribed cost of living adjustments growth rates are 8 per cent in 2018/19, 7.8 per cent in 2019/20, and 8 per cent in 2020/21 including the 1.5 per cent annual pay progression. The department's *Compensation of employees* budget exceeds this at 35.3, 7.9 and 8.5 per cent for each of the three years of the 2018/19 MTEF, respectively. This provides for the continued filling of phase two and three posts.
- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as re-issued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.
- The 2018/19 MTEF provides for the full functioning of all 13 district offices in line with the decentralisation strategy.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 9.3 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2019/20) are based on the incremental percentage used in the 2018/19 MTEF.

Table 9.3 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	610	(4 337)	(4 605)	(4 863)	(5 130)
Above-budget 2015 wage agreement	1 583	1 695	1 819	1 921	2 027
LG election monitoring	5 000	-	-	-	-
Freezing all vacant non-OSD posts	(3 843)	(4 104)	(4 384)	(4 630)	(4 884)
2% Goods and services cut	(2 130)	(1 928)	(2 040)	(2 154)	(2 273)
2017/18 MTEF period		7 051	7 331	9 141	9 644
Carry-through funds for new organisational structure		8 109	8 515	8 992	9 487
PES and Provincial Own Revenue reductions		(768)	(878)	(1 557)	(1 643)
Budget cuts to fund remuneration of <i>Izinduna</i>		(290)	(306)	(323)	(341)
Additional funding from National Treasury		-	-	2 029	2 141
2018/19 MTEF period			-	-	2 175
Above-budget wage agreement			-	-	2 175
Total	610	2 714	2 726	4 278	6 688

With regard to the 2016/17 MTEF, the department received additional funding for the carry-through of the above-budget 2015 wage agreement. In addition, the department received a once-off allocation in 2016/17 only to strengthen departmental oversight during the 2016 local government elections. This was offset by budget cuts, due to data updates of the equitable share formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and the need to reprioritise to fund various national priorities that had arisen. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF.

In the 2017/18 MTEF, the department received a carry-through baseline allocation for the continued roll-out of the new structure. In this regard, R8.109 million, R8.515 million and R8.992 million was allocated

to the department over the 2017/18 MTEF. The reduction reflected is in respect of the budget cuts due to data updates of the PES formula, Provincial Own Revenue updates, as well as fiscal framework reductions. These budget cuts were effected proportionately against all 15 Votes and the department's cut amounted to R768 000, R878 000 and R1.557 million over the 2017/18 MTEF.

In addition, the Provincial Executive Council determined that the *Izinduna* in KZN must be remunerated, in line with Presidential proclamations in this regard. As this is an unfunded mandate, the funding required for this payment was financed by Vote 11: COGTA providing 50 per cent of the required amount through reprioritisation of their budget, while the remaining 50 per cent was sourced by proportionately cutting all remaining departments' budgets. In this regard, the department's budget reduced by R290 000, R306 000 and R323 000 over the 2017/18 MTEF.

National Treasury allocated additional funding to provinces in 2019/20. This amount was proportionately allocated to all 15 Votes to ensure that the budget cuts referred to above were offset. Thus, in 2019/20, with carry-through the department is allocated additional funding of R2.029 million.

In the 2018/19 MTEF period, the department received no additional funding, apart from an amount of R2.175 million allocated for the above-budget wage agreement in additional funding from National Treasury that was proportionately allocated to all 15 Votes. It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R952 000 in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

Tables 9.4 and 9.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2014/15 to 2020/21.

Table 9.4 : Summary of payments and estimates by programme: Community Safety and Liaison

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	45 849	59 260	73 373	74 981	83 645	83 645	83 619	89 486	95 670
2. Provincial Secretariat for Police Service	133 390	131 551	133 273	129 505	120 841	120 841	141 330	138 561	147 095
Total	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765

Table 9.5 : Summary of payments and estimates by economic classification: Community Safety and Liaison

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	176 605	186 841	200 665	203 125	195 402	193 443	223 593	226 634	241 246
Compensation of employees	60 837	68 574	75 605	102 888	85 463	83 504	112 954	121 990	131 750
Goods and services	115 768	118 267	125 060	100 237	109 939	109 939	110 639	104 644	109 496
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	61	168	580	16	115	215	30	35	37
Provinces and municipalities	19	11	30	16	40	40	30	35	37
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100	-	-	100	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	42	157	450	-	75	75	-	-	-
Payments for capital assets	2 560	3 796	5 392	1 345	8 969	10 811	1 326	1 378	1 482
Buildings and other fixed structures	-	-	38	-	-	-	-	-	-
Machinery and equipment	2 560	3 796	5 354	1 345	8 947	9 625	1 326	1 378	1 482
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	22	1 186	-	-	-
Payments for financial assets	13	6	9	-	-	17	-	-	-
Total	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765

Programme 1 shows reasonable growth from 2014/15 onward due to the filling of posts in respect of the new organisational structure. The substantial increase in 2015/16 relates to the centralisation of operational costs of the department under this programme, such as computer services (including the roll-out of IT connectivity to the department's functional district offices), fleet services, security services, training and staff development, communication costs, etc. This centralisation of operational costs continues in the baseline, accounting for the steady growth over the 2018/19 MTEF. The increase in the 2017/18 Adjusted Appropriation and Revised Estimate relates to the movement of funds from Programme 2. This was largely to provide for purchasing 19 departmental vehicles to effectively resource the district offices. The low growth from the 2017/18 Revised Estimate to 2018/19 is due to the once-off expenditure for the purchase of vehicles. The budget shows largely inflationary growth thereafter and provides for personnel related costs in respect of the new organisational structure, including carry-through costs for wage adjustments, as well as pay progression for 73 existing posts and 17 vacant posts. Also, the budget caters for operational costs such as computer services for SITA payments, operating leases for the district offices, training and development for staff development, etc.

Programme 2 shows a fluctuating trend, largely as a result of delays in rolling out phases two and three of the decentralisation strategy, as well as several once-off allocations. The decrease from 2014/15 was partly due to the centralisation of the department's operational costs under Programme 1, as mentioned. The growth in 2016/17 was largely due to the increased Social Sector EPWP Incentive Grant for Provinces allocation, as well as a once-off allocation of R5 million for strengthening departmental oversight during the 2016 local government elections, and this accounts for the negative growth from 2016/17 to the 2017/18 Main Appropriation. The further decrease to the 2017/18 Adjusted Appropriation and Revised Estimate is largely due to delays in the filling of posts in terms of phases two and three of the decentralisation strategy. The department is at an advanced stage in respect of the recruitment process pertaining to these posts. However, due to the vetting process, the filling of posts is taking longer than anticipated. The 2018/19 MTEF includes the carry-through of the budget cuts which were implemented in the 2017/18 MTEF against *Goods and services*, as well as the reprioritisation in 2018/19 and 2019/20 which was undertaken to cater for the full establishment in respect of the decentralisation strategy and operational costs under Programme 1. The significant growth in 2018/19 is due to the increased allocation for the Social Sector EPWP Incentive Grant for Provinces for the appointment of additional 325 VSCPP volunteers. The 2018/19 MTEF budget provides for various service delivery activities, including crime awareness campaigns and interventions, such as women abuse, drug abuse, and victim empowerment held in November and December, maintenance of CSFs and CPFs, training of these community safety structures, as well as wage adjustments and pay progression for the 104 filled posts and projected filling of 26 posts.

Compensation of employees reflects a generally steady trend as follows:

- The substantial increase from 2016/17 to the 2017/18 Main Appropriation was to provide for the roll-out of phases two and three of the revised organisational structure. The decrease in the 2017/18 Adjusted Appropriation and Revised Estimate is largely due to delays in filling phases two and three posts. As previously mentioned, the department anticipated filling 37 posts at the beginning of the financial year, however, there were delays due to lengthy vetting processes.
- The substantial growth rate from the 2017/18 Revised Estimate to 2018/19 is to provide for the continued filling of phases two and three posts. The department is at an advanced stage in terms of the recruitment process pertaining to the remaining 22 posts in respect of phases two and three, as well as other vacant posts as a result of promotions. The 2018/19 MTEF budget growth exceeds the prescribed amount therefore provides for the filling of vacant posts. The budget provides for 220 employees over the MTEF, and this includes 177 filled posts and 43 vacant posts.

Goods and services increased from 2014/15 to 2016/17 largely attributed to the department receiving a significant conditional grant allocation, as well as a once-off specific and exclusive allocation of R5 million for strengthening departmental oversight during the 2016 local government elections. This once-off specific funding was removed from the baseline and, further to that, the grant was reduced substantially in 2017/18. The decrease in 2017/18 also relates to the reprioritisation that was undertaken over the 2017/18 MTEF to fund *Compensation of employees* for the full establishment in respect of the

decentralisation strategy. The low year-on-year growth from the 2017/18 Revised Estimate to 2018/19 is due to the reprioritisation that was undertaken towards the filling of posts. The negative growth from 2019/20 relates to the reprioritisation that was undertaken to fund *Compensation of employees* in respect of the full establishment for the decentralisation strategy. Furthermore, the conditional grant allocation is not included over the two outer years of the MTEF. The grant is incentive based and is usually allocated on a yearly basis. The allocation for the 2018/19 MTEF provides for the previously mentioned operational costs for district offices, payment of stipends to the VSCPP volunteers against the Social Sector EPWP Incentive Grant for Provinces, as well as crime awareness campaigns and interventions in high crime areas in the province.

Transfers and subsidies to: Provinces and municipalities caters for the payment of motor vehicle licences.

Transfers and subsidies to: Public corporations and private enterprises relates to a donation in 2016/17 for the One Million Voices campaign for the fight against police killings. The 2017/18 Revised Estimate relates to a donation to Sakhikhono Trading Company for the training of community safety structures.

Transfers and subsidies to: Households relates to staff exit costs. There is no budget against this category over the 2018/19 MTEF due to its unpredictable nature.

The amount of R38 000 against *Buildings and other fixed structures* relates to the purchase and installation of an air conditioner for a parkhome which accommodates a district office.

The fluctuations against *Machinery and equipment* relate to the cyclical purchase of tools of trade. The growth from 2014/15 to 2016/17 is fairly steady, and is mainly the result of the purchase of vehicles and other capital purchases to furnish and equip the established district offices. Similarly, the high 2017/18 Adjusted Appropriation was for capital purchases such as 19 vehicles for all district offices, and this accounts for the negative growth over the 2018/19 MTEF.

The amount of R1.186 million in 2017/18 against *Software and other intangible assets* relates to the purchase of software licence fees for the Novell System and for computer software to facilitate the daily operations of the department in terms of the information technology usage.

Payments for financial assets relates to the write-off of staff debts. This item is difficult to predict and is therefore not budgeted for over the 2018/19 MTEF.

7.4 Summary of conditional grant payments and estimates

Table 9.6 illustrates conditional grant payments and estimates for the period 2014/15 to 2020/21. Details are given in *Annexure – Vote 9: Community Safety and Liaison*. It should be noted that the historical figures set out in Table 9.6 reflect actual expenditure per grant, and should not be compared to those reflected in Table 9.1, which represents the actual receipts for the grant.

Table 9.6 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Social Sector EPWP Incentive Grant for Provinces	2 580	1 000	9 658	1 487	1 487	1 487	10 321	-	-
Total	2 580	1 000	9 658	1 487	1 487	1 487	10 321	-	-

The purpose of the Social Sector EPWP Incentive Grant for Provinces is to create work opportunities for social crime prevention volunteers who are employed within the VSCPP. These funds are used for the payment of stipends of some of the VSCPP volunteers (the balance is paid from the equitable share). The stipends are allocated against operating payments in *Goods and services*. The department indicated that in 2017/18 there are 1 415 volunteers under the VSCPP, i.e. 1 395 funded from the equitable share, and 55 paid from the grant.

The grant allocation is dependent on the evaluation by the national DOPW of targets achieved, and this largely accounts for the fluctuations in the prior years. Similarly, the significant increase in 2016/17 relates to improved spending and improved reporting in respect of this grant. The increase in allocation

enabled the department to recruit 380 social crime prevention volunteers in 2016/17, a significant increase when compared to only 48 recruited in 2015/16. The allocation for 2017/18 was significantly reduced to R1.487 million, in line with the government-wide fiscal consolidation efforts. The grant increases significantly to R10.321 million in 2018/19, and is only allocated for the first MTEF year, at this stage, since it is incentive based. The grant provides for the appointment of 380 volunteers in 2018/19.

7.5 Summary of infrastructure payments and estimates – Nil

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of PFMA) and other entities – Nil

7.8 Transfers to local government

The department makes no transfer payments to local government, although it does pay motor vehicle licence fees against this category, which are not a direct transfer to a municipality. Therefore, the table reflecting transfers to local government is excluded.

7.9 Transfers and subsidies

Table 9.7 provides a summary of transfers and subsidies per programme.

Table 9.7 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	61	43	525	16	40	40	30	35	37
Provinces and municipalities	19	11	30	16	40	40	30	35	37
Motor vehicle licences	19	11	30	16	40	40	30	35	37
Public corporations and private enterprises	-	-	100	-	-	-	-	-	-
Donation - One Million Voices Campaign	-	-	100	-	-	-	-	-	-
Households	42	32	395	-	-	-	-	-	-
Staff exit costs	42	32	395	-	-	-	-	-	-
2. Provincial Secretariat for Police Service	-	125	55	-	75	175	-	-	-
Public corporations and private enterprises	-	-	-	-	-	100	-	-	-
Donation - Training of Safety Structures	-	-	-	-	-	100	-	-	-
Households	-	125	55	-	75	75	-	-	-
Staff exit costs	-	125	55	-	75	75	-	-	-
Total	61	168	580	16	115	215	30	35	37

The amounts under Programme 1 against *Provinces and municipalities* relate to the payment of motor vehicle licences. The high 2017/18 Adjusted Appropriation relates to the registration of new vehicles, while the MTEF provides for licence renewal costs.

The amount reflected under Programme 1 against *Public corporations and private enterprises* in 2016/17 relates to a donation made for the One Million Voices campaign for the fight against police killings, as previously mentioned.

The amount of R100 000 reflected under Programme 2 against *Public corporations and private enterprises* in 2017/18 relates to a donation that was made to Sakhikhono Trading Company for the training of community safety structures.

Households in both programmes pertains to the payment of staff exit costs.

8. Programme description

The services rendered by this department are categorised under two programmes. The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 9: Community Safety and Liaison*.

8.1 Programme 1: Administration

The objective of Programme 1 is to provide essential administrative and management support, while the purpose is to provide strategic direction and support, administrative, financial, executive and legal support, and human resource services. This programme is in line with the sector specific Safety and Liaison programme structure.

Tables 9.8 and 9.9 give a summary of payments and estimates for the seven-year period up to 2020/21.

Table 9.8 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the HOD	7 407	4 348	4 842	5 799	6 518	5 946	8 333	8 981	9 560
2. Financial Management	9 697	9 611	10 687	10 515	11 271	11 271	13 110	14 071	14 909
3. Corporate Services	24 067	38 763	48 746	49 734	56 692	56 194	52 070	55 612	59 621
4. Legal	2 325	2 950	3 182	3 284	3 419	3 419	3 928	4 226	4 553
5. Security	2 353	3 588	5 916	5 649	5 745	6 815	6 178	6 596	7 027
Total	45 849	59 260	73 373	74 981	83 645	83 645	83 619	89 486	95 670

Table 9.9 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	44 455	56 131	68 017	74 434	75 450	73 608	83 094	88 951	95 077
Compensation of employees	24 822	29 120	31 138	36 014	34 500	33 902	44 180	47 704	51 241
Goods and services	19 633	27 011	36 879	38 420	40 950	39 706	38 914	41 247	43 836
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	61	43	525	16	40	40	30	35	37
Provinces and municipalities	19	11	30	16	40	40	30	35	37
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	42	32	395	-	-	-	-	-	-
Payments for capital assets	1 320	3 086	4 822	531	8 155	9 997	495	500	556
Buildings and other fixed structures	-	-	38	-	-	-	-	-	-
Machinery and equipment	1 320	3 086	4 784	531	8 133	8 811	495	500	556
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	22	1 186	-	-	-
Payments for financial assets	13	-	9	-	-	-	-	-	-
Total	45 849	59 260	73 373	74 981	83 645	83 645	83 619	89 486	95 670

The sub-programme: Office of the HOD reflects a significant decrease from 2014/15 to 2015/16 and this relates to various directorates that were under this sub-programme moving to the Corporate Services sub-programme. The high growth from the 2017/18 Revised Estimate to 2018/19 is due to additional posts being added to this sub-programme. These posts include the Director: Risk Management (permanent) and Director: Office of the HOD secondment from the Department of Correctional Services. The year-on-year growth from 2018/19 to 2020/21 relates to inflationary increases.

The sub-programme: Financial Management reflects a fairly steady trend over the period. The slight increase in the 2017/18 Adjusted Appropriation and Revised Estimate is largely due to higher than budgeted audit fees. The budget over the 2018/19 MTEF is largely inflation related and provides mainly for audit fees, travel and subsistence and stationery costs relating to the financial administration functions of the department. It is noted that the department's finance functions are centralised under the head office.

The sub-programme: Corporate Services reflects healthy growth from 2018/19 to 2020/21 largely due to increased training costs relating to service delivery personnel to enable them to undertake all aspects of training of community safety structures. The aim is to decrease the reliance on consultants for this type of training. The substantial increase in the 2017/18 Adjusted Appropriation and Revised Estimate was largely due to the in-year requirement for once-off capital purchases, such as two vehicles per district. This was due to the department's decentralisation strategy which entails delivering services at grassroots

level to communities. It should be noted that the department's operational costs are under this sub-programme, such as computer services, fleet services, operating leases, security services, training and staff development, communication costs, etc. These costs relate to the functioning of the department's head office and all 13 district offices.

The sub-programme: Legal provides for legal services and interventions, such as hostel violence interventions, interventions on various violence or protests in the province, as well as other departmental initiatives such as Siyabonisana projects, whereby the department provides legal advisory services to the community on issues of domestic violence, sexual harassment, etc. The MTEF budget grows steadily.

The trend from 2014/15 to 2020/21 against the Security sub-programme is largely inflationary by nature. The increased growth from 2015/16 is largely due to the centralisation of district office security costs against this sub-programme. These costs were previously against Programme 2. The allocation over the 2018/19 MTEF provides for the payment of security services for the head office and district offices, as well as other operational costs such as travel and subsistence.

The trend over the seven years against *Compensation of employees* is generally steady with high growth in 2018/19. The growth from 2016/17 to the 2017/18 Main Appropriation was mainly due to wage adjustments in respect of salaries and pay progression, as well as reprioritisation undertaken to adequately provide for the full establishment. Furthermore, the high growth in 2018/19 was due to the reduction in the 2017/18 Adjusted Appropriation and Revised Estimate due to delays in filling posts, as well as other posts which became vacant through promotions. In the 2018/19 MTEF, the budget caters for these vacant posts, as well as for other personnel related increases, such as pay progression, in line with the Treasury Guidelines. It is noted that the growth in the outer year is below National Treasury's prescribed cost of living adjustments, however the department has indicated that all posts are adequately funded in the first two years of the MTEF. The outer year's growth will be reviewed in the next budget process.

With regards to *Goods and services*, the negative growth from the 2017/18 Revised Estimate to 2018/19 relates to higher than budgeted audit costs for the 2016/17 audit, travel and subsistence for employees in respect of monitoring district offices, etc. The 2018/19 MTEF growth relates to the previously explained additional funding which was allocated to the department in respect of the carry-through costs for the roll-out of the new organisational structure, as well as for operational costs such as computer services, fleet services, security services, training and staff development, communication costs, implementing departmental initiatives on issues of domestic violence, sexual harassment, etc.

Transfers and subsidies to: Provinces and municipalities caters for the payment of motor vehicle licences.

Transfers and subsidies to: Public corporations and private enterprises relates to a donation made in 2016/17 for the One Million Voices campaign for the fight against police killings.

The amount of R38 000 against *Buildings and other fixed structures* relates to the purchase and installation of an air conditioner for a parkhome which accommodates the uMkhanyakude district office.

Machinery and equipment over the 2018/19 MTEF provides for the purchase of tools of trade such as office furniture and desktops in line with the filling of posts as per the decentralisation strategy. The high amount in 2017/18 was for the purchasing of 19 vehicles for the district offices.

Software and other intangible assets relates to the purchase and renewal of software licence fees for the Novell System and for computer software. There is no allocation over the MTEF at this stage.

Payments for financial assets relates to the write-off of staff debts.

8.2 Programme 2: Provincial Secretariat for Police Service

Programme 2 is the main service delivery programme of the department. The main purpose of this programme is to perform the function of oversight over the Office of the Provincial Commissioner and specialised units, as well as community police relations at a provincial level. In addition, it performs the function of safety information analysis and conceptualisation which has to be done at a provincial level. The major key performance indicators within this programme are the VSCPP, focused and integrated

interventions and events, community training programmes, etc. Various crime awareness projects, including school safety, substance abuse and stock theft characterise these interventions and events. The CiDP, the capacitation and establishment of CPFs, and street committees form the major part of interventions and partnerships with communities.

Tables 9.10 and 9.11 illustrate the summary of payments and estimates relating to Programme 2.

Table 9.10 : Summary of payments and estimates by sub-programme: Provincial Secretariat for Police Service

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Policy and Research	3 867	3 226	3 731	3 336	3 489	3 489	4 107	4 410	4 740
2. Monitoring and Evaluation	8 817	13 317	7 811	17 347	10 201	8 957	16 707	17 924	19 254
3. Safety Promotion	34 605	76 472	84 381	68 419	71 999	73 226	79 230	72 152	76 240
4. Community Police Relations	85 296	22 294	11 555	11 200	7 200	7 217	5 900	6 112	6 155
5. Programme Support	805	16 242	25 795	29 203	27 952	27 952	35 386	37 963	40 706
Total	133 390	131 551	133 273	129 505	120 841	120 841	141 330	138 561	147 095

Table 9.11 : Summary of payments and estimates by economic classification: Provincial Secretariat for Police Service

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	132 150	130 710	132 648	128 691	119 952	119 835	140 499	137 683	146 169
Compensation of employees	36 015	39 454	44 467	66 874	50 963	49 602	68 774	74 286	80 509
Goods and services	96 135	91 256	88 181	61 817	68 989	70 233	71 725	63 397	65 660
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	125	55	-	75	175	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	100	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	125	55	-	75	75	-	-	-
Payments for capital assets	1 240	710	570	814	814	814	831	878	926
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 240	710	570	814	814	814	831	878	926
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	6	-	-	-	17	-	-	-
Total	133 390	131 551	133 273	129 505	120 841	120 841	141 330	138 561	147 095

The sub-programme: Policy and Research largely shows inflationary growth over the period. The negative growth from 2014/15 to 2015/16 and from 2016/17 to 2017/18 is ascribed to vacant posts within this sub-programme, namely, Director: Policy and Research and Deputy Director: Policy and Research. The budget over the 2018/19 MTEF provides for the implementation of the Civilian Secretariat for Police Services Act requiring additional research and understanding, such as the review of policies and directives.

The sub-programme: Monitoring and Evaluation reflects a significant increase from 2016/17 to the 2017/18 Main Appropriation due to the department fully budgeting for posts pertaining to phases two and three of the new organisational structure. The decrease from the 2017/18 Main to Adjusted Appropriation is due to the non-filling of posts as initially envisaged from the beginning of the year. Furthermore, when internal candidates are appointed into these posts, it creates a concurrent vacancy in the department's structure. The growth over the 2018/19 MTEF is due to the fact that the department has budgeted for its full structure, as well as for the monitoring and evaluation of police stations in the province, including costs such as travel and subsistence. This includes reviewing the effectiveness of the monitoring tools such as the recently installed electronic complaints management system which will enable the department to expedite the registration, processing and ultimate finalisation of complaints, thereby improving the efficiency and effectiveness of complaints management.

The sub-programme: Safety Promotion reflects negative growth from 2016/17 to the 2017/18 Main Appropriation mainly due to the significantly decreased allocation for the Social Sector EPWP Incentive

Grant for Provinces. Also contributing to the decrease was the once-off allocation of R5 million in 2016/17 to strengthen departmental oversight during the 2016 local government elections. The slight increase to the 2017/18 Adjusted Appropriation and Revised Estimate is due to savings from other sub-programmes being allocated to absorb insufficiently budgeted recurring costs such as travel and subsistence costs, and insufficiently budgeted for service delivery costs. The growth from 2017/18 to 2018/19 is largely due to a substantial increase in the conditional grant allocation in 2018/19 only. The negative growth in the two outer years is due to the grant not being allocated at this stage, as previously explained. This sub-programme caters mainly for crime awareness campaigns and interventions focussing on women abuse, drug abuse and victim empowerment held during the safety months, i.e. November and December, capacitation of CSFs and CPFs, as well as the KZNCCPA. The additional posts pertaining to phases two and three are meant to enhance the department's service delivery imperatives in 2018/19. These posts will enable the department to reach more communities at grassroots level over the 2018/19 MTEF, thus achieving its goals of the decentralisation strategy. As previously mentioned, the department will appoint 380 additional volunteers against the conditional grant, while 1 395 volunteers are funded from the equitable share in 2018/19.

The significant decrease from 2014/15 to 2015/16 against the Community Police Relations sub-programme is largely due to the realignment of the department's budget to ensure consistency with the sector's budget programme structure. The substantial decrease in the sub-programme's allocation was mirrored by a concurrent increase in other sub-programmes within this programme. The sub-programme deals with training of CPF structures in the communities, and the costs for this training decreased due to cost-cutting. The negative growth from the 2017/18 Revised Estimate to 2018/19 and over the MTEF is due to the MEC's service excellence awards which will be undertaken in conjunction with DOT, thus reducing the costs for the department. The department has been granted additional funding in terms of carry-through costs of the new organisational structure, however, due to the extent of the funds required for the structure, it was necessary that further reprioritisation be undertaken within the department's baseline. Thus, the department reprioritised from *Goods and services* within this sub-programme. The trend in the two outer years of the MTEF is largely inflationary. The 2018/19 allocation provides for the capacitation, including training and development, of the various community safety structures, CiDP, sports against crime activities, as well as interventions in cases of stock theft.

The sub-programme: Programme Support shows strong growth from 2015/16 onward, in line with the alignment to the sector budget programme structure. The baseline was increased from the reprioritisation that was undertaken from the Community Police Relations sub-programme, accounting for the significant increase in this sub-programme continued over the MTEF. The slight decrease in the 2017/18 Adjusted Appropriation and Revised Estimate is due to posts pertaining to phase two and three of the decentralised organisational structure not being filled as initially envisaged. This sub-programme provides mainly for management posts for the strategic direction of the department. The growth over the 2018/19 MTEF caters for inflationary wage increases.

Compensation of employees reflects steady growth from 2014/15 to 2016/17. The substantial increase in the 2017/18 Main Appropriation is due to the department budgeting for the full organisational structure. The decrease in the Adjusted Appropriation and Revised Estimate is due to the recruitment process being slower than anticipated, due to delays in the vetting process. The budget over the 2018/19 MTEF caters for the full establishment in respect of the 104 filled posts and 26 vacant posts envisaged to be filled in 2018/19. The budget growth provides for pay progression and related carry-through costs, including additional funds allocated for the above-budget wage agreement in 2020/21.

Goods and services reflects negative growth from 2016/17 to the 2017/18 Main Appropriation due to a decreased Social Sector EPWP Incentive Grant for Provinces as a result of fiscal consolidation cuts. The increase in the 2017/18 Adjusted Appropriation and Revised Estimate is due to savings from unfilled posts which were moved back to this category to offset pressures in respect of events such as safety month commemorations and festive season safety initiatives. The budget growth from the 2017/18 Revised Estimate to 2018/19 mainly relates to the substantial increase in the Social Sector EPWP Incentive Grant for Provinces compared to the prior year, as mentioned earlier. The negative growth from 2018/19 onward relates to the conditional grant allocation which is not included over the two outer years of the MTEF, as

previously explained. Furthermore, reprioritisation was undertaken over the 2018/19 MTEF to fund *Compensation of employees* in respect of the full establishment for the decentralisation strategy, as well as the previously mentioned MEC service excellence awards which will be undertaken in conjunction with DOT, thus reducing the costs for the department. The 2018/19 MTEF budget caters for various activities including crime awareness campaigns and interventions such as women abuse, drug abuse, and victim empowerment which are held during the safety months. This also includes capacitation of CSFs and CPFs, as well as training and development of community safety structures.

Transfers and subsidies to: Public corporations and private enterprises relates to a donation made to Sakhikhono Trading Company for the training of community safety structures.

Transfers and subsidies to: Households pertains to staff exit costs.

The fluctuations against *Machinery and equipment* relate to the fact that the department purchases machinery and equipment on a cyclical basis. The budget over the MTEF is for the provision of equipment such as computer laptops and desktops and office furniture for staff.

Service delivery measures: Provincial Secretariat for Police Service

Table 9.12 illustrates the main service delivery information relating to Programme 2, which were aligned as far as possible to the generic service delivery measures of the sector.

Table 9.12 : Service delivery measures : Provincial Secretariat for Police Service

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1. Improved quality of policing	• No. of management reports compiled on service delivery complaints against SAPS	4	4	4	4	
	• No. of reports compiled on implementation of IPID recommendations by SAPS	4	4	4	4	
	• No. of Domestic Violence Act (DVA) compliance reports compiled	4	4	4	4	
	• No. of reports on M&E special projects compiled	1	1	1	1	
	• No. of police stations monitored and reports compiled	104	120	130	130	
2. To mobilise communities in the fight against crime	• No. of functional CSFs assessed	31	39	52	52	
	• No. of functional CPFs assessed	104	130	140	140	
3. To conduct research into safety and security matters	• No. of research reports on special projects compiled	1	1	1	1	
	• No. of reports on the implementation of National Monitoring Tool (NMT) recommendations compiled	4	4	4	4	

9. Other programme information

9.1 Personnel numbers and cost

Table 9.13 reflects personnel numbers and estimates pertaining to the department, as well as the breakdown of employee dispensation classification over the seven-year period. The department commenced with the roll-out of phase one of the decentralisation strategy in 2014/15. The filling of phases two and three posts commenced in 2016/17 and is currently ongoing, as mentioned.

The department reports that it has 189 permanent posts (phase one – 149 posts, phases two and three – 37 posts) on its permanent establishment. In addition, the department has 15 contract posts, who deal with VSCPP volunteers, CPF facilitators, among others. These contracts were initiated prior to the revision of the organisational structure, and the incumbents will either be absorbed into vacant funded posts (via normal HR recruitment processes) or phased out once the contracts expire. This explains why, in some cases, funded posts exceed the current establishment (level 1 – 6, for example). Furthermore, the department funds 16 interns (shown in the category *Others*). If the contract posts and interns are included in the total funded posts, it means that 220 posts are funded, in line with the current establishment.

Table 9.13 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Filled posts	Addit. posts	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
R thousands																			
Salary level																			
1 – 6	42	7 607	41	7 545	40	7 769	30	5	35	7 451	40	9 450	40	10 211	40	10 984	4.6%	13.8%	8.5%
7 – 10	63	23 662	79	26 650	69	30 290	74	5	79	35 388	112	56 777	112	61 179	112	66 305	12.3%	23.3%	48.3%
11 – 12	30	17 623	30	19 121	28	21 036	28	-	28	22 012	30	25 245	30	27 315	30	29 395	2.3%	10.1%	23.3%
13 – 16	16	11 113	16	14 368	15	15 556	14	1	15	17 424	18	20 117	18	21 826	18	23 516	6.3%	10.5%	18.6%
Other	15	832	16	890	16	954	20	-	20	1 229	20	1 365	20	1 459	20	1 550	0.0%	8.0%	1.3%
Total	166	60 837	182	68 574	168	75 605	166	11	177	83 504	220	112 954	220	121 990	220	131 750	7.5%	16.4%	100.0%
Programme																			
1. Administration	71	24 822	80	29 120	76	31 138	64	9	73	33 902	90	44 180	90	47 704	90	51 241	7.2%	14.8%	39.4%
2. Prov. Secretariat for Police Service	95	36 015	102	39 454	92	44 467	102	2	104	49 602	130	68 774	130	74 286	130	80 509	7.7%	17.5%	60.6%
Total	166	60 837	182	68 574	168	75 605	166	11	177	83 504	220	112 954	220	121 990	220	131 750	7.5%	16.4%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	149	58 945	164	66 544	150	73 415	144	11	155	81 127	198	110 085	198	118 903	198	128 483	8.5%	16.6%	97.4%
Legal professionals	2	1 060	2	1 140	2	1 236	2	-	2	1 354	2	1 498	2	1 621	2	1 709	0.0%	8.1%	1.4%
Others (interns, EPWP, learnerships)	15	832	16	890	16	954	20	-	20	1 023	20	1 371	20	1 466	20	1 558	0.0%	15.1%	1.2%
Total	166	60 837	182	68 574	168	75 605	166	11	177	83 504	220	112 954	220	121 990	220	131 750	7.5%	16.4%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The bulk of the staff are appointed on salary level 7 – 10, with 112 employees budgeted for over the MTEF. These are followed by salary level 1 – 6 which reflect 40 employees, remaining constant over the MTEF. The additional staff at the different salary levels will be appointed to extend the department's service delivery programmes, such as crime prevention and community police relations at a district level.

9.2 Training

Table 9.14 reflects the actual and estimated expenditure on training per programme, as well as the number of people involved in training for the period. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense on staff training. The department is abiding by this, and in most instances exceeds the required 1 per cent.

Table 9.14 : Information on training : Community Safety and Liaison

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	166	182	168	177	177	177	220	220	220
Number of personnel trained	125	96	101	106	106	106	111	111	117
of which									
Male	60	44	46	48	48	48	50	50	53
Female	65	52	55	58	58	58	61	61	64
Number of training opportunities	24	21	26	32	32	32	37	37	38
of which									
Tertiary	10	2	3	4	4	4	5	5	5
Workshops	13	3	4	6	6	6	8	8	8
Seminars	1	4	5	6	6	6	7	7	7
Other	-	12	14	16	16	16	17	17	18
Number of bursaries offered	12	4	6	8	8	8	10	10	11
Number of interns appointed	15	16	16	17	17	17	18	18	19
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	40	5	5	5	5	5	5	5	5
Payments on training by programme									
1. Administration	1 470	415	1 116	2 915	2 915	1 024	1 700	1 802	1 901
2. Provincial Secretariat for Police Service	8 637	382	300	1 561	1 561	1 061	1 780	1 866	2 179
Total	10 107	797	1 416	4 476	4 476	2 085	3 480	3 668	4 080

The decrease in spending in respect of Programme 2 from 2015/16 to 2016/17 relates to the discontinuation of the societal education to build safer communities training programme. The department changed its strategy from directly training communities to empowering its service delivery staff in terms of the new Civilian Secretariat for Police Services Act. This was done as it was seen to have a greater impact on its mandate. The increase in training costs against Programme 1 in 2016/17 is due to training provided for election monitoring, community safety structures and training of volunteers from the VSCPP programme. The 2018/19 MTEF provides for further training of service delivery personnel. This training will be specific to CiDP interventions and empowerment of community safety structures. The department will embark on this strategy to lessen its dependence on consultants.

ANNEXURE – VOTE 9: COMMUNITY SAFETY AND LIAISON

Table 9.A : Details of departmental receipts: Community Safety and Liaison

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	72	93	133	76	76	168	80	86	90
Sale of goods and services produced by department (excluding capital assets)	72	93	133	76	76	168	80	86	90
Sale by market establishments	38	51	61	41	41	81	43	46	49
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	34	42	72	35	35	87	37	40	41
Of which									
Commission	34	42	53	35	35	86	37	40	41
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	1	-	-	1	-	-	-
Interest	-	-	1	-	-	1	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	663	404	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	663	404	-	-	-	-	-	-
Transactions in financial assets and liabilities	4	-	-	25	25	25	27	28	30
Total	76	756	538	101	101	194	107	114	120

Table 9.B : Payments and estimates by economic classification: Community Safety and Liaison

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	176 605	186 841	200 665	203 125	195 402	193 443	223 593	226 634	241 246
Compensation of employees	60 837	68 574	75 605	102 888	85 463	83 504	112 954	121 990	131 750
Salaries and wages	54 259	60 650	66 936	92 595	75 170	73 675	101 018	108 489	117 304
Social contributions	6 578	7 924	8 669	10 293	10 293	9 829	11 936	13 501	14 446
Goods and services	115 768	118 267	125 060	100 237	109 939	109 939	110 639	104 644	109 496
Administrative fees	-	-	-	-	-	312	-	-	-
Advertising	1 780	1 125	1 450	300	1 100	1 599	300	318	335
Minor assets	585	281	284	720	720	676	724	756	1 091
Audit cost: External	3 322	3 108	3 140	2 368	3 798	3 798	3 200	3 392	3 579
Bursaries: Employees	58	417	336	200	200	200	250	265	280
Catering: Departmental activities	7 889	7 787	4 857	4 636	4 636	5 438	6 868	7 085	7 346
Communication (G&S)	1 553	1 812	5 341	1 728	1 728	2 132	2 700	2 860	3 019
Computer services	1 120	1 467	4 495	5 602	5 602	4 438	5 500	5 830	6 151
Cons. and prof. serv.: Bus. and advisory serv.	6 127	6 791	14 010	2 418	2 018	3 140	750	770	777
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	10	240	70	370	370	370	200	212	224
Contractors	6 151	5 805	3 020	1 483	9 722	10 205	3 092	3 279	3 581
Agency and support / outsourced services	7 015	6 881	6 417	7 236	3 569	69	130	138	146
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	1 774	2 080	2 541	2 629	2 829	2 829	2 500	2 650	2 796
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	500	500	500	1 000	1 031	1 238
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	30	46	44	44	44	46	34	34	34
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	277	46	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 268	1 255	2 892	-	-	91	-	-	-
Consumable: Stationery, printing and office supplies	2 022	2 374	2 354	1 900	1 600	1 503	1 418	1 484	1 533
Operating leases	6 970	9 129	10 104	11 800	11 800	11 800	11 912	12 627	13 321
Property payments	1 224	1 579	2 337	3 116	3 116	7 244	5 888	6 241	6 584
Transport provided: Departmental activity	5 891	4 256	2 810	1 000	1 500	1 651	1 860	1 917	2 131
Travel and subsistence	13 567	19 183	19 952	11 468	14 368	13 702	12 552	13 011	13 412
Training and development	10 107	797	1 416	4 476	4 476	2 085	3 480	3 668	4 080
Operating payments	28 392	32 649	30 966	33 655	34 655	34 655	41 321	31 947	32 544
Venues and facilities	8 636	9 159	6 224	2 588	1 588	823	4 960	5 129	5 294
Rental and hiring	-	-	-	-	-	633	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	61	168	580	16	115	215	30	35	37
Provinces and municipalities	19	11	30	16	40	40	30	35	37
Provinces	19	11	30	16	40	40	30	35	37
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	19	11	30	16	40	40	30	35	37
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100	-	-	100	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	100	-	-	100	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	100	-	-	100	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	42	157	450	-	75	75	-	-	-
Social benefits	42	157	450	-	75	75	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 560	3 796	5 392	1 345	8 969	10 811	1 326	1 378	1 482
Buildings and other fixed structures	-	-	38	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	38	-	-	-	-	-	-
Machinery and equipment	2 560	3 796	5 354	1 345	8 947	9 625	1 326	1 378	1 482
Transport equipment	664	2 965	2 866	-	7 578	7 578	-	-	-
Other machinery and equipment	1 896	831	2 488	1 345	1 369	2 047	1 326	1 378	1 482
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	22	1 186	-	-	-
Payments for financial assets	13	6	9	-	-	17	-	-	-
Total	179 239	190 811	206 646	204 486	204 486	204 486	224 949	228 047	242 765

Table 9.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	44 455	56 131	68 017	74 434	75 450	73 608	83 094	88 951	95 077
Compensation of employees	24 822	29 120	31 138	36 014	34 500	33 902	44 180	47 704	51 241
Salaries and wages	21 842	25 456	27 201	32 479	30 965	30 367	38 529	41 659	44 661
Social contributions	2 980	3 664	3 937	3 535	3 535	3 535	5 651	6 045	6 580
Goods and services	19 633	27 011	36 879	38 420	40 950	39 706	38 914	41 247	43 836
Administrative fees	-	-	-	-	-	51	-	-	-
Advertising	251	301	294	300	300	300	300	318	335
Minor assets	128	28	88	590	590	546	236	252	583
Audit cost: External	3 322	3 108	3 140	2 368	3 798	3 798	3 200	3 392	3 579
Bursaries: Employees	57	417	336	200	200	200	250	265	280
Catering: Departmental activities	228	93	420	349	349	322	248	262	275
Communication (G&S)	1 553	1 812	3 150	1 728	1 728	2 132	2 700	2 860	3 019
Computer services	1 008	1 467	4 495	5 602	5 602	4 438	5 500	5 830	6 151
Cons. and prof. serv.: Bus. and advisory serv.	387	1 040	867	168	168	580	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	10	240	70	370	370	370	200	212	224
Contractors	30	35	8	200	200	200	200	212	224
Agency and support / outsourced services	710	1 700	3 723	3 569	3 569	69	130	138	146
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	1 675	2 080	2 541	2 629	2 829	2 829	2 500	2 650	2 796
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	12	26	31	30	30	30	18	18	18
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	20	3	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	177	155	271	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	770	1 095	868	940	940	774	748	793	838
Operating leases	5 465	8 834	10 089	11 800	11 800	11 800	11 912	12 627	13 321
Property payments	993	981	2 339	3 116	3 116	7 244	5 888	6 241	6 584
Transport provided: Departmental activity	13	-	-	-	-	-	-	-	-
Travel and subsistence	1 164	2 830	2 979	1 308	2 208	2 861	2 624	2 781	2 935
Training and development	1 470	415	1 116	2 915	2 915	1 024	1 700	1 802	1 901
Operating payments	57	-	-	-	-	-	-	-	-
Venues and facilities	133	351	54	238	238	138	560	594	627
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	61	43	525	16	40	40	30	35	37
Provinces and municipalities	19	11	30	16	40	40	30	35	37
Provinces	19	11	30	16	40	40	30	35	37
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	19	11	30	16	40	40	30	35	37
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	100	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	100	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	42	32	395	-	-	-	-	-	-
Social benefits	42	32	395	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 320	3 086	4 822	531	8 155	9 997	495	500	556
Buildings and other fixed structures	-	-	38	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	38	-	-	-	-	-	-
Machinery and equipment	1 320	3 086	4 784	531	8 133	8 811	495	500	556
Transport equipment	664	2 965	2 866	-	7 578	7 578	-	-	-
Other machinery and equipment	656	121	1 918	531	555	1 233	495	500	556
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	22	1 186	-	-	-
Payments for financial assets	13	-	9	-	-	-	-	-	-
Total	45 849	59 260	73 373	74 981	83 645	83 645	83 619	89 486	95 670

Table 9.D : Payments and estimates by economic classification: Provincial Secretariat for Police Service

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	132 150	130 710	132 648	128 691	119 952	119 835	140 499	137 683	146 169
Compensation of employees	36 015	39 454	44 467	66 874	50 963	49 602	68 774	74 286	80 509
Salaries and wages	32 417	35 194	39 735	60 116	44 205	43 308	62 489	66 830	72 643
Social contributions	3 598	4 260	4 732	6 758	6 758	6 294	6 285	7 456	7 866
Goods and services	96 135	91 256	88 181	61 817	68 989	70 233	71 725	63 397	65 660
Administrative fees	-	-	-	-	-	261	-	-	-
Advertising	1 529	824	1 156	-	800	1 299	-	-	-
Minor assets	457	253	196	130	130	130	488	504	508
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	1	-	-	-	-	-	-	-	-
Catering: Departmental activities	7 661	7 694	4 437	4 287	4 287	5 116	6 620	6 823	7 071
Communication (G&S)	-	-	2 191	-	-	-	-	-	-
Computer services	112	-	-	-	-	-	-	-	-
Cons. and prof. serv.: Bus. and advisory serv.	5 740	5 751	13 143	2 250	1 850	2 560	750	770	777
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	6 121	5 770	3 012	1 283	9 522	10 005	2 892	3 067	3 357
Agency and support / outsourced services	6 305	5 181	2 694	3 667	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	99	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	500	500	500	1 000	1 031	1 238
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	18	20	13	14	14	16	16	16	16
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	257	43	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 091	1 100	2 621	-	-	91	-	-	-
Consumable: Stationery, printing and office supplies	1 252	1 279	1 486	960	660	729	670	691	695
Operating leases	1 505	295	15	-	-	-	-	-	-
Property payments	231	598	(2)	-	-	-	-	-	-
Transport provided: Departmental activity	5 878	4 256	2 810	1 000	1 500	1 651	1 860	1 917	2 131
Travel and subsistence	12 403	16 353	16 973	10 160	12 160	10 841	9 928	10 230	10 477
Training and development	8 637	382	300	1 561	1 561	1 061	1 780	1 866	2 179
Operating payments	28 335	32 649	30 966	33 655	34 655	34 655	41 321	31 947	32 544
Venues and facilities	8 503	8 808	6 170	2 350	1 350	685	4 400	4 535	4 667
Rental and hiring	-	-	-	-	-	633	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	125	55	-	75	175	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	100	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	100	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	100	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	125	55	-	75	75	-	-	-
Social benefits	-	125	55	-	75	75	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 240	710	570	814	814	814	831	878	926
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 240	710	570	814	814	814	831	878	926
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 240	710	570	814	814	814	831	878	926
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	6	-	-	-	17	-	-	-
Total	133 390	131 551	133 273	129 505	120 841	120 841	141 330	138 561	147 095

Table 9.E : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces (Prog. 2: Prov. Sect. for Police Serv.)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	2 580	1 000	9 658	1 487	1 487	1 487	10 321	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	2 580	1 000	9 658	1 487	1 487	1 487	10 321	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	60	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons. and prof. serv.: Bus. and advisory serv.	-	3	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	18	-	-	-	-	-	-	-	-
Travel and subsistence	211	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	2 291	932	9 658	1 487	1 487	1 487	10 321	-	-
Venues and facilities	-	65	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 580	1 000	9 658	1 487	1 487	1 487	10 321	-	-

VOTE 10

Sport and Recreation

Operational budget	R451 953 000
MEC remuneration	Nil
Total amount to be appropriated	R451 953 000
Responsible MEC	MEC for Arts, Culture, Sport and Recreation ¹
Administering department	Sport and Recreation
Accounting officer	Head: Sport and Recreation

1. Overview

Vision

The department's vision is: *An active and winning province through sport and recreation.*

Mission statement

The mission is: *To transform the sport and recreation environment through integrated, sustainable mass participation, development and high performance programmes at all levels by ensuring equitable access and alignment to government outcomes so as to improve the quality of life of all the citizens of KZN.*

Strategic goals

The strategic goals of the department are to promote and contribute to:

- The health and well-being of the citizens of KZN.
- Improved performance through talent optimisation, development and high performance programmes.
- Good governance and accountability in sport and recreation.
- Transformation of the sport and recreation sector through the creation of equal access and opportunities for all.
- Maximising access to sport, recreation and physical education in every school in KZN.
- Social cohesion and national identity through participation in sport and recreation.

Strategic objectives

Strategic policy direction: The department is responsible for the promotion and development of sport and recreation in KZN. The department has set the following strategic objectives to achieve this:

- *Administration:* To provide strategic administrative support to enable effective and efficient service delivery to internal and external stakeholders.
- *Management:* To provide strategic managerial direction and good governance through co-ordinated stakeholder consultations.
- *Sport and Recreation Infrastructure Planning and Development (Facilities):* To deliver sport and recreation facilities in communities and schools.
- *Community Sport Promotion and Development (Stakeholder Management):* To deliver sport development and high performance programmes through affiliated provincial sport federations and other entities.

¹ The salary of the MEC for Sport and Recreation is budgeted for under Vote 15: Arts and Culture.

- *Club Development*: To promote mass participation and talent optimisation through support for clubs and sport academies.
- *Sport and Recreation Strategic Projects (Special Projects)*: To promote the local economy and social cohesion by hosting/supporting major and mass-based sport events.
- *Organised Recreation Services (Recreation)*: To promote active and healthy lifestyles through participation in organised active recreation events.
- *Community Recreation (Siyadlala)*: To promote active and healthy lifestyles through mass participation programmes implemented in community activity hubs and clubs.
- *School Sport*: To provide an integrated and sustainable school sport and recreation programme in schools.

Core functions

Among others, the core functions of the department are to:

- Reconstruct, revitalise and transform sport and recreation in the province with improved corporate governance and accountability.
- Implement an integrated approach with key stakeholders to provide a successful service delivery model for sport and recreation.
- Develop and implement a capacity-building framework for the training of coaches, technical officials, team managers, administrators and volunteers as per the National Coaching Framework and Long-Term- Participant Development Programme.
- Intensify efforts to integrate youth development into the mainstream of government policies and programmes within the framework of the National Youth Policy.
- Implement a sustainable school sport system aligned to the National School Sport Plan.
- Implement an academy system, sport focus schools and scientific support programmes to entrench talent optimisation and high performance as part of the Long-Term-Participant-Development-Model.
- Provision of quality and well-maintained facilities with vibrant sustainable programmes to promote active and healthy lifestyles and talent optimisation.
- Improve our support for vulnerable groups and programmes promoting equity.
- Promote social cohesion across society by ensuring that there are adequate facilities for the majority of the population and to encourage people to share common spaces across race and class.
- Promote active and healthy lifestyles through integrated and sustainable recreation programmes from local to provincial levels.
- Develop and implement a multi-stakeholder Water Safety Strategy to address the high incidence of drowning.

Legislative and other mandates

Sport and recreation in South Africa is characterised and governed by the following main legislation:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- National Sport and Recreation Act (Act No. 110 of 1998)
- National Sport and Recreation Amendment Act (Act No. 18 of 2007)
- Safety at Sport and Recreational Events Act (Act No. 2 of 2010)
- South African Boxing Act (Act No. 11 of 2001)
- Revised White Paper on Sport and Recreation, 2010
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations

- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and Public Service Regulations, 2001
- Labour Relations Act (Act No. 66 of 1995)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- Protected Disclosures Act (Act No. 26 of 2000)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Public Service Co-ordinating Bargaining Council Resolutions
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Bidding and Hosting of International Sport and Recreational Events Regulations, 2010
- The South African Institute for Drug-Free Sport Act, 1997 (Act No. 10 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Skills Development Act (Act No. 97 of 1998)
- Skills Development Levies Act (Act No. 9 of 1999)

The following bills have not yet been enacted:

- Fitness Industry Bill, 2013
- The South African Combat Sport Bill, 2013

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Infrastructure development

The department developed 83 sport and recreation facilities in 2017/18, comprising three basic sport and recreation facilities, 11 outdoor gyms, 11 combination courts, 11 kick-about sport facilities, 33 children's play gyms, 11 local hub centres and three new resourced hub fitness centres. The department also engaged municipalities, through the MUNIMEC, to maximise the utilisation of 15 per cent of the Municipal Infrastructure Grant (MIG) for the construction and maintenance of sport and recreation facilities. These engagements led to the National Department of Sport and Recreation (NDOSR) ring-fencing R300 million from the MIG within the National Department of Co-operative Governance's budget for the construction of sport facilities. The department continued to support municipalities with the provision of maintenance equipment, as well as the appointment of 26 caretakers to manage, maintain and secure sport fields constructed by the department within municipalities.

School sport

The department signed the annual MOA with the DOE in April 2017 to deliver the School Sport programme. The department contributed R9 million toward this programme. This programme aims to identify talent from an early age and maximise access to sport and recreation in every school in the province. The department appointed 151 circuit co-ordinators on contract to support the delivery of the School Sport programme through funding from the Mass Participation and Sport Development (MPSD) grant. The department provided 400 schools with sport equipment and attire which enabled over 16 000 learners to participate in the School Sport programme. The department provided 435 educators with an interest in sport, accredited training in coaching through the implementation of the National Coaching Framework. In addition, support was provided to school sport code structures with the intention of fully

integrating them with federations, as well as to the various school sport championships. The championship codes were separated into three seasons, namely Winter Games, Summer Games and Autumn Games.

Academies

The department identified 13 sport-focus schools, such as Newcastle, Dundee and Glenwood High Schools which formed part of the academy system and were supported to nurture and develop talented athletes in the School Sport League programme. All sport-focus schools received appropriate gym equipment, nutritional supplements and a high performance and scientific testing toolkit to enhance their capacity to deliver this programme. More than 16 150 learners participated in tournaments and leagues from district to national level.

Healthy lifestyles

The department placed a high priority on promoting active healthy lifestyles among citizens in an effort to promote the fight against lifestyle diseases and obesity. The department's healthy lifestyle strategy for the province, in partnership with the DOH, ensured participation of people from different age spectrums. The department met its target of registering more than 145 000 participants in the various mass participation programmes and events. The programme included public servants participating in the Work and Play programme which culminated in the inter-departmental games, which involved over 5 000 participants. The department strengthened its support to sport clubs focusing on senior citizens through the hosting of the Golden Games. The department continued to implement the Siyadlala mass participation programme through the support of 142 activity hubs at ward level, which included the construction of a further 11 outdoor gyms (fitness parks). The outdoor gyms are now accompanied by aerobic classes and other activities. Indigenous Games such as Dibeke, Morabaraba, Khokho, Kgati and Jukskei were also promoted, with a focus on the inclusion of further cultures as participants in the programme, therefore enhancing social cohesion among communities.

High performance sport system

The department continued to promote transformation in sport through the implementation of talent optimisation, high performance programmes, as well as the provision of scientific and medical support to identified elite athletes in partnership with the PRIME Human Performance Institute (hereafter referred to as PRIME). The department offered this programme to 100 athletes representing 18 codes of sport, with the provision of high performance screening, testing and training, dietary and medical care. The programme was extremely successful in enhancing the level of performance of talented athletes, players and teams, and in empowering coaches. The department continued its financial and non-financial support to 37 federations.

Sports development centre

The construction of the sports development centre was delayed as a result of challenges experienced by the eThekweni Metro in respect of the original site which was Hoy Park, and again at the new site at the Kings Park Sport Precinct. The court proceedings relating to the eviction of the current tenants from the site at the Kings Park Sport Precinct are still underway. The department requested approval to suspend R20 million to 2018/19, as there was no indication of when the court proceedings will end. However, this request was made too late for inclusion in the 2017/18 Adjustments Estimate, hence Provincial Treasury advised the department that any unspent funds relating to this project will be rolled over to 2018/19 on the condition that the Vote as a whole is under-spent by at least this amount.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas for 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. In 2018/19, the department will continue to promote sport and recreation through the provision of various programmes and construction of sport and recreation facilities.

Infrastructure planning and development

The department plans to construct 71 sport and recreation facilities in 2018/19, comprising one basic sport and recreation facility, 11 outdoor gyms, 11 multi-purpose courts, 11 kick-about sport facilities, 33

children's play gyms and four new resourced district hub fitness centres. The department will fund two more municipalities to appoint caretakers to maintain sport facilities constructed in the municipalities. The department will continue to engage municipalities, through the MUNIMEC, to maximise the utilisation of 15 per cent of the MIG for the construction and maintenance of sport and recreation facilities.

School sport

The department will appoint 135 circuit co-ordinators on contract to support the delivery of the School Sport programme through funding from the MPSD grant. Training will be provided to 450 educators and volunteers in coaching, technical officiating and team management. In addition, the department is targeting to provide 400 identified schools with sport equipment and attire. Continued support will be given to school sport code structures with the aim of having them all fully integrated with the federations, as well as to the various school sport championships.

Club development

The club development programme is aimed at organising sport at the most basic of levels, in order to promote sustainability and linkages with existing sport structures. The department is targeting to support 130 age group leagues in football, netball and volleyball, involving 1 000 clubs which are to be provided with equipment and/or attire. This programme is supported by the integrated academy system currently being promoted within the province.

Academies and high performance sport system

The department will target 10 sport academies and 12 sport-focus schools to form part of the academy system, and these will be supported to nurture and develop talented athletes identified through the school sport league programme and other talent identification programmes. A total of 540 athletes are anticipated to be supported by the sport academies (including the Elite Athlete Development Programme (EADP)). The regional and district academies will be increased from nine to ten. The academy system will continue to be supported by the EADP. The EADP will continue to promote transformation in sport through the implementation of talent optimisation, high performance programmes, as well as the provision of scientific and medical support to identified talented athletes. The department will offer the programme to 100 athletes representing 18 codes of sport and will provide high performance screening, testing and training, dietary and medical care.

Healthy lifestyles

The department will continue to place a high priority on promoting active healthy lifestyles among citizens in an effort to promote the fight against lifestyle diseases and obesity. The healthy lifestyle strategy for the province, developed in partnership with DOH, targets all citizens. The hub fitness centres are a key catalyst toward promoting mass fitness. The multi-coded fitness centres are situated in each district. The department is targeting to register 144 000 participants in their various mass participation programmes and events. This target includes 5 000 public servants that participate through the Work and Play programme. The department will continue to strengthen support to recreation clubs focusing on senior citizens through the Golden Wednesday Leagues, while implementing the Siyadlala mass participation programme with continued support for the 142 activity hubs at ward level. Indigenous Games will also continue to be promoted, with emphasis on the inclusion of more codes from different cultural groups in order to enhance social cohesion among communities. The activation of the KZN Water Safety Strategy Forum this year is intended to reduce the number of drownings in the province.

4. Reprioritisation

The department has prioritised filling 37 critical vacant posts, such as Chief Director: Corporate Governance, Director: Monitoring and Evaluation, Deputy Director: District Operations and Director: Strategic Projects in line with the approved organisational structure. In addition, the department has provided for the prescribed cost of living adjustments within the current baseline.

The allocation against the MPSD grant was decreased by R33.292 million, R33.575 million and R26.840 million for each of the three years of the MTEF due to fiscal consolidation, as explained in detail in Section 7. These cuts were applied to Programme 2 under the Sport and School Sport sub-programmes.

The impact of the cut is a reduction in participation in national tournaments in order to reduce the costs for accommodation, transport, equipment and attire. The department will focus on cluster, district and provincial tournaments, such as the Autumn, Summer and Winter Games.

5. Procurement

The department will implement procurement plans for procurement exceeding R500 000 and demand management plans for procurement below R500 000 in 2018/19 to ensure that the needs of the organisation are in line with the pillars underpinning the department's strategy, as well as the budget allocated. The department aims to reduce the turn-around time for procuring goods and services. Internal controls, contract management and inventory management will be strengthened.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 10.1 shows the sources of funding for Vote 10 over the seven-year period 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share, and national conditional grant allocations in respect of the MPSD grant, the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces.

Table 10.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	338 988	332 191	317 460	330 998	330 998	330 998	349 802	371 838	395 371
Conditional grants	95 595	93 633	106 324	112 592	112 592	112 592	102 151	104 864	111 599
Mass Participation and Sport Development grant	85 435	90 131	98 090	98 427	98 427	98 427	98 739	104 864	111 599
EPWP Integrated Grant for Provinces	2 102	2 000	2 000	2 000	2 000	2 000	2 000	-	-
Social Sector EPWP Incentive Grant for Provinces	8 058	1 502	6 234	12 165	12 165	12 165	1 412	-	-
Total receipts	434 583	425 824	423 784	443 590	443 590	443 590	451 953	476 702	506 970
Total payments	451 245	437 496	423 298	463 590	463 953	463 953	451 953	476 702	506 970
Surplus/(Deficit) before financing	(16 662)	(11 672)	486	(20 000)	(20 363)	(20 363)	-	-	-
Financing									
of which									
Provincial roll-overs	759	-	-	-	-	-	-	-	-
Provincial cash resources	19 975	12 003	3 752	20 000	20 363	20 363	-	-	-
Surplus/(Deficit) after financing	4 072	331	4 238	-	-	-	-	-	-

In 2014/15, the department received a roll-over of R1.013 million. This was for the reimbursement of funds to Provincial Treasury for payments made to the service providers of uMgungundlovu Academy of Sport (UAS). Of this R1.013 million, R254 000 was moved to Vote 6: Provincial Treasury, as Treasury had paid specific service providers during the reconciliation process relating to the amounts owed to the UAS service providers. In addition, the department received provincial cash resources of R19.975 million in respect of war-room packages in line with the resolution taken by the Provincial Executive Council. The department under-spent by R4.072 million in 2014/15, mainly as a result of non-submission of invoices by service providers in respect of sport equipment purchased. Furthermore, payments in respect of travel and subsistence were not made due to late submission of claims by officials.

In 2015/16, the department was allocated R9.391 million with carry-through over the 2015/16 MTEF. These funds were suspended from EDTEA in respect of the PMB Bike City (Cycling SA), and this is included in the department's equitable share, and prior year figures were adjusted for comparative purposes. Furthermore, the department was allocated R30 million in 2015/16 from provincial cash resources in respect of the construction of a sports development centre in Durban. The construction of the sports development centre was moved to 2015/16 due to challenges experienced by the eThekweni Metro in respect of the original site, which was Hoy Park. Although the department received a roll-over of R1.435 million from 2014/15 against the MPSD grant, National Treasury implemented Section 22(4) of the Division of Revenue Act and removed R495 000 from the MPSD grant. This amount relates to funds

that were unspent in 2014/15. However, Provincial Treasury allocated back to the department an amount of R495 000 from provincial cash resources to ensure that this grant was not compromised because of the reduction. This amount was therefore treated as equitable share to be spent on activities related to the grant. Hence, the roll-over totals the reduced amount of R940 000. An amount of R20 million was suspended from 2015/16 relating to the sports development centre, with R10 million each being allocated in 2016/17 and 2017/18 as a result of an agreement between the department and the eThekweni Metro. The new site of the sports development centre is the Kings Park Sport Precinct in Durban. In addition, the department received R2.003 million for the above-budget 2015 wage agreement.

In 2016/17, the department was allocated R3.342 million for the above-budget 2016 wage adjustment, as well as R410 000 as sponsorships from various organisations toward the department's annual KZN Sport Awards. These funds were provided from provincial cash resources. In addition, the department was allocated R7.305 million against the MPSD grant due to an oversight by the NDOSR. The grant allocations published in the 2016 DORA were incorrect. The increase in 2016/17 was offset by a decrease of R10 million in respect of the construction of the sports development centre in Durban. These funds were suspended to 2017/18 due to the eThekweni Metro experiencing challenges with regard to eviction of the tenants of the site at the Kings Park Sport Precinct.

The department was allocated R20 million for the construction of the sports development centre in 2017/18, with R10 million being suspended from 2015/16 and a further R10 million from 2016/17. In addition, the department received additional funding of R363 000 relating to sponsorships from various organisations toward the department's annual KZN Sport Awards.

In 2018/19, the department has been allocated funds in respect of the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces. There are no allocations in respect of both grants in the outer years of the MTEF, at this stage.

6.2 Departmental receipts collection

Table 10.2 provides details of the revenue collection by this department from 2014/15 to 2020/21. Details of departmental receipts are presented in *Annexure – Vote 10: Sport and Recreation*.

Table 10.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	170	229	354	170	170	170	175	180	190
Transfers received	-	410	362	-	-	280	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	124	287	399	210	210	210	222	235	248
Transactions in financial assets and liabilities	105	53	55	33	33	33	35	37	39
Total	399	979	1 170	413	413	693	432	452	477

The department collects revenue against *Sale of goods and services other than capital assets*, which comprises parking fees, the commission earned on PERSAL deductions, and tender fees. The increase in collection from 2015/16 to 2016/17 relates to higher than anticipated fees in respect of tender fees and commission received from insurance and garnishees. The conservative budgeting for this category over the 2018/19 MTEF is due to difficulty of budgeting for this category.

Transfers received relates to sponsorships and donations received from various organisations toward the department's annual KZN Sport Awards.

Revenue against *Sale of capital assets* is derived from the sale of redundant motor vehicles and office equipment. The department budgets conservatively for this category over the MTEF as its revenue generation depends on the performance of the auctions.

Transactions in financial assets and liabilities is mainly in respect of the recovery of staff debts and previous years' expenditure. The steady increase over the MTEF is due to the uncertain nature of this category which makes it difficult to accurately budget for.

6.3 Donor funding – Nil

7. Payment summary

This section summarises the key assumptions, additional allocations, payments and budgeted estimates for the Vote in terms of programmes and economic classification. Details of the economic classification per programme are presented in *Annexure – Vote 10: Sport and Recreation*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- The National Treasury guidelines instructed departments to provide for the annual wage increase of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, as well as the 1.5 per cent pay progression. The department made provision for the carry-through costs of the 2017 wage agreement and an inflationary wage adjustment of 15.5, 6.3 and 9.9 per cent for each of the three years of the MTEF, respectively. The *Compensation of employees* growth was calculated excluding R300 000 from the EPWP Integrated Grant and the full Social Sector EPWP Incentive Grant for Provinces allocation. The department is planning on filling 37 posts over the MTEF. The department also provided for the 1.5 per cent pay progression. The low growth in 2019/20 can be attributed to the department not budgeting for social benefits for volunteers appointed under the MPSD grant.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 10.3 shows additional funding received by the department over the three MTEF periods: 2016/17, 2017/18 and 2018/19, and excludes additional allocations in respect of conditional grants.

Table 10.3 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(21 857)	(23 932)	(36 182)	(38 207)	(40 308)
Above-budget 2015 wage agreement	2 196	2 354	2 531	2 673	2 820
Suspension of sport development centre funds from 15/16	10 000	10 000	-	-	-
Freezing all vacant non-OSD posts	(31 413)	(33 548)	(35 830)	(37 836)	(39 917)
2% Goods and services cut	(2 640)	(2 738)	(2 883)	(3 044)	(3 211)
2017/18 MTEF period		8 148	(2 071)	260	274
Suspension of sport development centre funds from 16/17		10 000	-	-	-
PES and Provincial Own Revenue reductions		(1 344)	(1 536)	(2 725)	(2 875)
Budget cuts to fund remuneration of Izinduna		(508)	(535)	(565)	(596)
Additional funding from National Treasury		-	-	3 550	3 745
2018/19 MTEF period			-	-	3 081
Above-budget wage agreement			-	-	3 081
Total	(21 857)	(15 784)	(38 253)	(37 947)	(36 953)

With regard to the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced or cut. Provinces were also instructed that the baselines of provincial DOH be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and the department's equitable share funded *Goods and services* budget was cut by 2 per cent over the MTEF.

In the 2017/18 MTEF, there is a reduction of the PES allocation due to data updates of the PES formula, as well as fiscal framework reductions and Provincial Own Revenue reductions. The department's budget cut amounted to R1.344 million, R1.536 million and R2.725 million over the 2017/18 MTEF. In addition, funds were suspended to COGTA for the remuneration of *Izinduna* as determined by the Provincial Executive Council, in line with Presidential proclamations in this regard. These cuts were applied proportionally to both Programmes 1 and 2 against all economic categories. Furthermore, the department effected cuts against the PMB Bike City (Cycling SA) allocation in the outer years of R599 000 in 2018/19 and R1.232 million in 2019/20.

Offsetting these cuts to an extent, is funding of R20 million for the construction of the sports development centre, R10 million being suspended from 2015/16, and a further R10 million from 2016/17, as well as R3.550 million provided by National Treasury in the outer year of the 2017/18 MTEF, with carry-through.

In the 2018/19 MTEF, additional funds were allocated in the outer year by National Treasury for the above-budget wage agreement. This was split proportionally across all Votes, with the department receiving R3.081 million. It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R1.428 million in the 2018/19 Adjustments Estimate.

7.3 Summary of programme and economic classification

The budget and programme structure of the department is aligned with the uniform budget and programme structure pertaining to Sport and Recreation prescribed by the Sport, Arts and Culture sector.

Tables 10.4 and 10.5 provide a summary of the Vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 10.4 : Summary of payments and estimates by programme: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	91 589	85 937	83 429	87 290	85 140	85 140	94 791	101 298	107 974
2. Sport and Recreation	359 656	351 559	339 869	376 300	378 813	378 813	357 162	375 404	398 996
Total	451 245	437 496	423 298	463 590	463 953	463 953	451 953	476 702	506 970

Table 10.5 : Summary of payments and estimates by economic classification: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	318 060	333 708	319 826	341 113	343 289	343 289	357 817	380 703	407 275
Compensation of employees	107 222	113 339	107 295	137 621	122 530	122 530	143 289	152 268	167 336
Goods and services	210 838	220 369	212 531	203 492	220 759	220 759	214 528	228 435	239 939
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	89 205	76 789	63 280	87 210	94 644	94 644	75 094	76 683	80 010
Provinces and municipalities	22 223	21 677	12 212	37 862	48 103	48 103	33 142	33 018	34 671
Departmental agencies and accounts	315	273	295	357	280	280	319	372	396
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Non-profit institutions	65 144	48 593	45 947	44 391	41 162	41 162	37 577	39 111	40 647
Households	1 523	928	1 694	600	1 228	1 228	636	672	696
Payments for capital assets	43 980	26 999	40 048	35 267	26 020	26 020	19 042	19 316	19 685
Buildings and other fixed structures	40 175	19 688	34 317	29 238	20 520	20 520	15 291	15 144	15 367
Machinery and equipment	3 195	7 164	5 246	5 079	4 550	4 550	3 601	3 772	3 904
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	610	147	485	950	950	950	150	400	414
Payments for financial assets	-	-	144	-	-	-	-	-	-
Total	451 245	437 496	423 298	463 590	463 953	463 953	451 953	476 702	506 970

The downward trend in Programme 1: Administration from 2014/15 is largely attributed to savings in *Compensation of employees*. The increase over the 2018/19 MTEF can be attributed to the planned filling of 19 critical vacant posts, such as Chief Director: Corporate Governance, Director: Monitoring and Evaluation and Deputy Director: District Operations, in line with the approved organisational structure.

The decrease in Programme 2: Sport and Recreation in 2015/16 is attributed to the suspension of R20 million in respect of the construction of the sports development centre, with R10 million being allocated in both 2016/17 and 2017/18. The decrease was mitigated to some extent by an increase as a result of a roll-over from 2014/15 against the MPSD grant for the purchase of sport equipment, such as attire and kits, as well as travel and subsistence claims. The decrease in 2016/17 is attributed to budget cuts, as mentioned. Offsetting the decrease to some extent was the increase mainly as a result of funds suspended from 2015/16 in respect of the construction of the sports development centre and additional funding for the above-budget 2015 wage agreement. Offsetting the increase in 2016/17 was the suspension of R10 million from 2016/17 to 2017/18 in respect of the construction of the sports development centre, as mentioned. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from Programme 1 to *Goods and services* in respect of provincial and national games, such as Golden and Indigenous Games. The decrease in 2018/19 is due to fiscal consolidation cuts against the MPSD grant. The department has provided for the filling of 18 critical vacant posts over the MTEF, such as Deputy Director: District Operations Management, Director: Strategic Projects and High Performance and Provincial Co-ordinator: Lifestyle Recreation.

Compensation of employees increases over the seven-year period. The decrease in the 2017/18 Adjusted Appropriation is due to delays in filling critical vacant posts because of lengthy internal recruitment processes. The increase in 2018/19 caters for the filling of 37 critical vacant posts, as mentioned. Provincial Treasury approved the filling of 32 of the 37 critical vacant posts in 2017/18, however, these were not filled. In addition, the department has allocated R300 000 against the EPWP Integrated Grant for Provinces and the full Social Sector EPWP Incentive Grant for Provinces allocation for the appointment of 240 volunteers. The growth against *Compensation of employees*, excluding conditional grant funded posts, is 15.5, 6.3 and 9.9 per cent for each of the three years of the MTEF, respectively. The department will review the *Compensation of employees* budget in the next budget process, to ensure that there is adequate carry-through for the critical posts.

Spending against *Goods and services* fluctuates over the seven-year period. The increase in 2015/16 is due to the reprioritisation of funds from *Compensation of employees* and *Transfers and subsidies to: Departmental agencies and accounts* for various major events and programmes, of which some were under-budgeted for and some were not budgeted for, such as SALGA Games, Beach Soccer, KZN Sport Awards and the Provincial Women's Symposium. In addition, the increase was for the district, provincial and national schools' athletics championships which were implemented in preparation for the Rio Olympic Games, as well as higher than anticipated lease payments for district offices. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from *Compensation of employees* to *Goods and services* in respect of provincial and national games, such as the Golden and Indigenous Games. The decrease in 2018/19 is largely due to fiscal consolidation against the MPSD grant.

Transfers and subsidies to: Provinces and municipalities relates to the construction of new sport and recreation facilities, such as sport fields, with municipalities as implementing agents. The decrease in 2016/17 is due to the SLA between the eThekweni Metro not being signed before year-end for the maintenance of sport facilities. In addition, the construction of the Cwaka sport field in the Msinga Municipality was halted as per the instruction of the Provincial Executive Council. The increase in the 2017/18 Adjusted Appropriation relates to the reprioritisation of funds from *Buildings and other fixed structures* for the construction of sport facilities by municipalities, such as uMzimkhulu, Newcastle, and Mtubatuba sport fields. The department decided that it is better in most instances for municipalities to undertake the construction themselves as opposed to the department, as the municipalities have the necessary expertise to deal with the local conditions. In addition, the municipalities add their own funds to the construction. The 2017/18 Adjusted Appropriation also includes R20 million for the construction of the sports development centre, as mentioned. The allocation in the outer year provides for the construction of fitness centres by municipalities, in areas such as uMzinyathi, uMhlathuze and Newcastle.

Transfers and subsidies to: Departmental agencies and accounts relates to payments to the Tourism and Hospitality, Education and Training Authority (THETA) in respect of the skills development levy, as well as the payment of television licences for the department.

Transfers and subsidies to: Public corporations and private enterprises includes transfers to the Hoy Park Management (Pty) Ltd in respect of the U19 International Football Association in 2016/17 which was held from July to August 2016. The 2015/16 audit indicated that the department should budget for events against the appointed service provider responsible for planning the event, hence the reprioritisation of funds from *Goods and services* in 2016/17. The 2017/18 Main Appropriation catered for the continued transfers to Hoy Park Management (Pty) Ltd, which was funded by both the equitable share and the MPSD grant. The decrease in the 2017/18 Adjusted Appropriation is due to the movement of funds from Hoy Park Management (Pty) Ltd due to the U19 International Football Tournament being cancelled by the organisers. The department reprioritised funds from *Goods and services* to this category in the 2017/18 Adjusted Appropriation for the introduction of various transfers to football clubs, such as Golden Arrows, Maritzburg United, Real Kings and Royal Eagles. These football clubs undertake soccer development programmes in rural areas on behalf of the department. The department will no longer transfer funds to the Hoy Park Management (Pty) Ltd, hence the MTEF allocations relate to the continued transfers to these football clubs.

Transfers and subsidies to: Non-profit institutions caters for transfers to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The high spending in 2014/15 is attributed to additional funding received for the hosting of the 20th AIMS congress, Dusi Canoe Marathon and the suspension of the PMB Bike City (Cycling SA) funding from EDTEA. The decrease in the 2017/18 Adjusted Appropriation is due to various amendments to business plans, reprioritisation of projects by sport federations/entities, as well as the inability of the sport federations/entities to comply with regulations which resulted in a net decrease against *Non-profit institutions*. The allocation over the MTEF caters for the continued transfers to sporting federations and sporting bodies, such as the Coastal Horse Care Unit, KZN Academy of Sport and The PRIME Trust.

Transfers and subsidies to: Households caters for staff exit costs, sponsorships, as well as external bursary payments. The increase in 2015/16 and 2016/17 includes additional funds received as sponsorship from various organisations toward the department's annual KZN Sport Awards. The increase in the 2017/18 Adjusted Appropriation is attributed to an excess payment made in respect of a motor vehicle claim by a third party, staff exit costs, as well as additional funds received as sponsorship toward the department's annual KZN Sport Awards. The MTEF allocations relate to external bursary payments.

The high spending against *Buildings and other fixed structures* in 2014/15 was due to the completion of the Harry Gwala district office. This explains the decrease in 2015/16. The decrease in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds to *Transfers and subsidies to: Provinces and municipalities* as a result of the department's decision that municipalities should implement the construction of sport facilities themselves as opposed to the department, such as the uMzimkhulu, Newcastle, and Mtubatuba sport fields, as mentioned. This also explains the decrease over the MTEF. The department will continue to construct sport facilities, such as combination courts, outdoor gyms, kick-about fields and hub centres over the MTEF.

Machinery and equipment fluctuates over the seven-year period due to purchases being largely cyclical in nature. The low spending in 2014/15 was due to challenges experienced by the department with regard to occupation of the newly leased Dundee district office. The decrease in the 2017/18 Adjusted Appropriation is attributed to the department not installing a security system in the Hluhluwe district office as a result of the uMkhanyakude district office no longer relocating from the King Cetshwayo district to Hluhluwe in 2017/18 due to the DOPW not obtaining a suitable office for leasing. The low allocation over the MTEF is attributed to the department maintaining its current computer equipment and not anticipating to purchase new office equipment due to all district offices now being fully established.

Software and other intangible assets in 2015/16 shows low allocations over the MTEF attributed to the department not setting up any new district offices, hence not purchasing new software.

7.4 Summary of conditional grant payments and estimates

Tables 10.6 and 10.7 summarise payments and estimates in respect of the MPSD grant, the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces.

Note that the historical figures set out in Table 10.6 reflect actual expenditure, and should not be compared to those reflected in Table 10.1, which represent the actual receipts per grant. Further details are given in *Annexure – Vote 10: Sport and Recreation*.

Table 10.6 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Mass Participation and Sport Development grant	83 505	90 131	98 090	98 427	98 427	98 427	98 739	104 864	111 599
EPWP Integrated Grant for Provinces	2 102	2 000	1 700	2 000	2 000	2 000	2 000	-	-
Social Sector EPWP Incentive Grant for Provinces	8 058	1 502	4 876	12 165	12 165	12 165	1 412	-	-
Total	93 665	93 633	104 666	112 592	112 592	112 592	102 151	104 864	111 599

Table 10.7 : Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	84 434	82 938	95 383	100 507	102 152	102 152	92 444	96 688	103 235
Compensation of employees	21 256	10 019	10 669	21 152	21 152	21 152	11 260	10 210	10 940
Goods and services	63 178	72 919	84 714	79 355	81 000	81 000	81 184	86 478	92 295
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	9 231	10 695	9 283	12 085	10 440	10 440	9 707	8 176	8 364
Provinces and municipalities	2 102	2 000	1 700	2 000	2 000	2 000	1 700	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5 318	1 160	1 500	-	-	-	-	-
Non-profit institutions	7 129	3 377	6 423	8 585	8 440	8 440	8 007	8 176	8 364
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	93 665	93 633	104 666	112 592	112 592	112 592	102 151	104 864	111 599

Spending against the MPSD grant increases over the seven-year period but with growth being below inflation from 2016/17 to 2018/19. The department received a roll-over of R940 000 in 2014/15 in respect of the purchase of sport equipment, such as sport attire and kits, as well as travel and subsistence claims in respect of travel undertaken by the department's officials. The allocation against the MPSD grant was decreased by R33.292 million, R33.575 million and R26.840 million for each of the three years of the MTEF due to fiscal consolidation. In order to accommodate the reduction, NDOSR informed provinces that there will be a reduction in national tournaments, such as National Summer Games, National School Sport Tournament, SALGA Games, National Winter Games Tournament and Active Seniors Programme, in order to reduce the costs for accommodation, transport, equipment and attire. The department will focus on cluster, district and provincial tournaments, such as the Autumn, Summer and Winter Games.

Spending against the EPWP Integrated Grant for Provinces is in respect of the maintenance of sport facilities constructed by the department. The municipalities employ maintenance staff to maintain the sport facilities. The Social Sector EPWP Incentive Grant for Provinces is for the employment of volunteers as contract workers and there was a significant increase in 2017/18 against this grant but with a major decrease in 2018/19. To accommodate this cut, the department will decrease the number of volunteers appointed. No funds have been allocated in respect of both these grants in the outer years, at this stage.

The high amount against *Compensation of employees* in 2014/15 is ascribed to the increase in the Social Sector EPWP Incentive Grant for Provinces. The decrease in 2015/16 is due to the decrease in allocation in respect of this conditional grant, as well as the reprioritisation of funds to *Goods and services* within the MPSD grant. The increase in 2017/18 compared to the outer years is due to the substantial increase in allocation against the Social Sector EPWP Incentive Grant for Provinces. The decrease over the MTEF is attributed to further fiscal consolidation cuts implemented against the MPSD grant and a low allocation against the Social Sector EPWP Incentive Grant for Provinces, as mentioned. No funds have been allocated in respect of the Social Sector EPWP Incentive Grant for Provinces in the outer years, at this stage, and hence the decrease from 2019/20 onward.

Spending against *Goods and services* relates to the implementation of the School Sport programme which involves the purchase of sport attire, kits, as well as hosting of sport tournaments such as the Provincial Top Schools Tournament. The increase in 2015/16 is due to the reprioritisation of funds from *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions* within the MPSD grant for the district, provincial and national schools athletics championships implemented in preparation for the Rio Olympic Games. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from *Transfers and subsidies to: Public corporations and private enterprises* in respect of the U19 International Football Tournament due to the cancellation of the tournament by the organisers, as mentioned. The low increase over the MTEF is attributed to fiscal consolidation, as mentioned.

Transfers and subsidies to: Provinces and municipalities relates to transfers to municipalities for the maintenance of sport fields constructed by the department. The department utilises the EPWP Integrated Grant for Provinces for transfers to municipalities for the maintenance of sport facilities constructed by the department. The department has not allocated any funds in the outer years due to the non-allocation against the EPWP Integrated Grant for Provinces, at this stage.

Transfers and subsidies to: Public corporations and private enterprises relates to transfers to Hoy Park Management (Pty) Ltd in respect of the U19 International Football Tournament which was held from July to August in 2016. The 2015/16 audit indicated that the department should budget for events against the appropriate service provider planning the event, hence the reprioritisation of funds from *Goods and services*. The department moved funds from this category in respect of the U19 International Football Tournament in the 2017/18 Adjusted Appropriation due to the cancellation of the tournament by organisers, as mentioned. The department will therefore no longer be transferring funds to this entity, and hence there are no allocations over the MTEF.

Transfers and subsidies to: Non-profit institutions caters for transfers to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The decrease in 2015/16 is due to the department shifting funds to *Goods and services* to undertake the duties of sport federations directly due to non-compliance of the confederations in submitting the necessary documents for transfers to be effected. The increase in the 2017/18 Main Appropriation is attributed to the increase in the MPSD grant. The slight decrease in the 2017/18 Adjusted Appropriation is due to the movement of funds to *Goods and services* as a result of the department undertaking the duties of district academies. The decrease over the MTEF compared to the 2017/18 Main Appropriation is due to the implementation of the fiscal consolidation cuts against the MPSD grant. As a result, the department will no longer be transferring funds to some entities, such as KZN Gymnastics, KZN Hockey (Coastal and Midlands) and KZN Volleyball.

7.5 Summary of infrastructure payments and estimates

Table 10.8 illustrates infrastructure spending over the seven-year period. The infrastructure budget of the department fluctuates over the seven-year period.

Further details of the department's infrastructure payments and estimates are presented in the *2018/19 Estimates of Capital Expenditure*.

Table 10.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	40 175	19 688	34 317	29 238	20 520	20 520	15 291	15 144	15 367
Infrastructure transfers	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Infrastructure transfers: Current	3 300	1 650	1 700	2 000	2 000	2 000	1 700	-	-
Infrastructure transfers: Capital	18 900	20 000	10 474	35 839	46 080	46 080	31 400	32 972	34 620
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	62 375	41 338	46 491	67 077	68 600	68 600	48 391	48 116	49 987
Capital infrastructure	59 075	39 688	44 791	65 077	66 600	66 600	46 691	48 116	49 987
Current infrastructure	3 300	1 650	1 700	2 000	2 000	2 000	1 700	-	-

1. Non infrastructure is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

The high spending against *New infrastructure assets: Capital* in 2014/15 was due to the completion of the Harry Gwala district office. This explains the decrease in 2015/16. The decrease in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds to *Infrastructure transfers: Capital* as a result of the department's decision that municipalities should implement the construction of sport facilities themselves as opposed to the department, such as the uMzimkhulu, Newcastle, and Mtubatuba sport fields, as mentioned. This also explains the decrease over the MTEF. The department will continue to construct sport facilities, such as combination courts, outdoor gyms, kick-about fields and hub centres in the King Cetshwayo, Ugu and uMgungundlovu Municipalities over the MTEF.

Spending against *Infrastructure transfers: Current* relates to the maintenance grants that are paid to municipalities for the upkeep of sport facilities constructed by the department. The department allocates a large portion of the EPWP Integrated Grant for Provinces for the maintenance of sport fields. The department has not allocated any funds in the outer years due to the non-allocation against the EPWP Integrated Grant for Provinces, at this stage.

Infrastructure transfers: Capital relates to capital projects undertaken by the municipalities, such as the construction of sport and recreation facilities. The decrease in 2016/17 is the construction of the Cwaka sport field in the Msinga Municipality being halted as per the instruction of the Provincial Executive Council. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from *New infrastructure assets: Capital* for the construction of sport facilities by municipalities, such as uMzimkhulu, Newcastle and Mtubatuba sport fields. The department decided that it is better in most instances for municipalities to implement the construction themselves as opposed to the department, as the municipalities have the necessary expertise to deal with the local conditions, as mentioned. The allocation over the MTEF provides for the construction of fitness centres by municipalities, in areas such as uMzinyathi, uMhlathuze and Newcastle.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other entities

Table 10.9 indicates the transfer payments that the department makes to other entities and sporting organisations for the promotion and development of sport and recreation in the province.

The department does not transfer to any public entity, however transfers are effected to other entities and these transfer payments fall under *Transfers and subsidies to: Non-profit institutions* and *Transfers and subsidies to: Public corporations and private enterprises*.

The department allocates funds to sporting organisations only once they have met all requirements for the transfer to be effected. The department receives business plans from these organisations and, based on these plans, funds are allocated for transfer payments and this accounts for the fluctuating trends.

Table 10.9 : Summary of transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimate		
		2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Transfers to public entities		-	-	-	-	-	-	-	-	-
Transfers to other entities		65 144	53 911	49 079	48 391	45 033	45 033	40 997	42 621	44 247
Age-in-Action	2.3 Recreation	120	180	-	200	-	-	-	-	-
Amazulu Trust	2.2 Sport	-	750	4 750	-	553	553	570	585	600
Children Rights Centre	2.3 Recreation	120	180	-	-	-	-	-	-	-
Clare Estate Senior Citizens	2.3 Recreation	45	60	-	-	-	-	-	-	-
Coastal Horse Care Unit	2.3 Recreation	380	-	650	500	300	300	325	340	357
Comrades Marathon (AIMS Congress)	2.2 Sport	1 190	-	200	200	200	200	500	525	550
Cycling SA	2.2 Sport	12 600	9 391	9 832	10 323	10 323	10 323	6 000	6 300	6 600
Dare to Dream	2.3 Recreation	110	110	120	200	150	150	200	210	220
District academies	2.2 Sport	-	-	-	1 000	-	-	-	-	-
Gandhi Development Trust	2.2 Sport	300	-	-	-	-	-	-	-	-
Girls only	2.2 Sport	-	-	200	200	200	200	200	210	220
Glenwood High School	2.2 Sport	-	-	500	-	-	-	-	-	-
Golden Arrows Football Club	2.2 Sport	-	-	-	-	553	553	570	585	600
Hoy Park Management (Pty) Ltd	2.2 Sport	-	5 318	3 132	4 000	-	-	-	-	-
KZN Academy of Sport	2.2 Sport	-	2 500	1 323	1 945	2 500	2 500	1 750	1 750	1 750
KZN Aquatics Association	2.2 Sport	2 989	3 000	3 000	2 000	2 000	2 000	2 200	2 300	2 400
KZN Athletics Association	2.2 Sport	8 435	7 382	5 935	5 900	5 000	5 000	4 800	4 900	5 010
KZN Baseball	2.2 Sport	350	240	-	-	-	-	-	-	-
KZN Billiards and Snooker	2.2 Sport	75	100	-	-	-	-	-	-	-
KZN Canoe Union	2.2 Sport	150	200	1 600	1 300	1 300	1 300	1 300	1 350	1 400
KZN Chess Union	2.2 Sport	250	-	-	-	-	-	-	-	-
KZN Cricket Union (Coastal)	2.2 Sport	3 000	3 000	2 500	2 000	2 000	2 000	1 800	1 900	2 000
KZN Cricket/Academy	2.2 Sport	-	-	-	-	-	-	200	200	200
KZN Cycling	2.2 Sport	300	-	-	-	-	-	-	-	-
KZN Darts	2.2 Sport	49	55	-	-	-	-	-	-	-
KZN Disability Sport (KZNDISSA)	2.2 Sport	3 762	4 000	-	2 000	1 000	1 000	1 800	1 900	2 000
KZN Fly-fishing	2.2 Sport	75	-	-	-	-	-	-	-	-
KZN Golf Union	2.2 Sport	300	300	400	200	250	250	250	265	280
KZN Gymnastics	2.2 Sport	555	600	300	-	-	-	-	-	-
KZN Hockey (Coastal and Midlands)	2.2 Sport	350	250	100	-	-	-	-	-	-
KZN Indigenous Games Association	2.3 Recreation	150	210	-	-	250	250	300	320	336
KZN Lifesaving	2.2 Sport	80	140	-	-	-	-	250	265	280
KZN Lovelife	2.3 Recreation	-	-	-	-	150	150	175	185	194
KZN Netball	2.2 Sport	-	-	1 000	2 000	1 000	1 000	1 800	1 900	2 000
KZN Olympic Style Boxing	2.2 Sport	400	500	1 000	1 000	1 000	1 000	1 200	1 260	1 320
KZN Rowing	2.2 Sport	-	-	200	200	200	200	200	210	220
KZN Rugby Union	2.2 Sport	3 000	3 600	3 000	2 000	2 000	2 000	1 800	1 900	2 000
KZN Rural Horse Riding Association	2.3 Recreation	130	-	-	-	200	200	-	-	-
KZN Sailing	2.2 Sport	800	-	400	200	400	400	400	420	445
KZN Sharks Board	2.3 Recreation	-	-	20	100	-	-	-	-	-
KZN Softball	2.2 Sport	300	-	-	-	-	-	-	-	-
KZN Sports Confederation	2.2 Sport	-	-	2 700	2 690	2 689	2 689	2 707	2 876	3 064
KZN Surf Riders Association	2.2 Sport	200	200	-	-	-	-	-	-	-
KZN Tennis Association	2.2 Sport	-	241	-	200	200	200	300	320	340
KZN Volleyball	2.2 Sport	750	500	-	-	-	-	-	-	-
LHC Foundation Trust (I-Care)	2.3 Recreation	93	140	150	200	150	150	200	210	221
Maritzburg College	2.2 Sport	-	-	650	-	-	-	-	-	-
Maritzburg United Football Club	2.2 Sport	-	-	-	-	553	553	570	585	600
Midlands Academy	2.2 Sport	-	-	-	750	1 000	1 000	1 000	1 000	1 000
Natal Canoe Club - Dusi Canoe Marathon & Academy	2.2 Sport	7 710	1 886	-	-	350	350	-	-	-
Natal Deep Sea Angling	2.2 Sport	100	-	-	-	-	-	-	-	-
Netball SA	2.2 Sport	2 500	2 700	1 100	-	-	-	-	-	-
Noyolo Table Tennis Academy	2.2 Sport	-	-	-	200	250	250	250	250	250
Othongati Football Club	2.2 Sport	-	-	-	-	553	553	570	585	600
Phoenix Community Centre	2.3 Recreation	1 000	-	-	-	-	-	-	-	-
Real Kings Football Club	2.2 Sport	-	-	-	-	553	553	570	585	600
Richards Bay Football Club	2.2 Sport	-	-	-	-	553	553	570	585	600
Roseland's Trust (Butterfly Project)	2.2 Sport	80	110	-	-	-	-	-	-	-
Royal Eagles Football Club	2.2 Sport	-	-	-	-	553	553	570	585	600
SAFA - Amajuba	2.2 Sport	-	150	200	200	200	200	200	220	230
SAFA - KZN	2.2 Sport	869	-	-	583	-	-	-	-	-
SAFA - uMgungundlovu	2.2 Sport	-	150	200	200	200	200	200	220	230
SAFA - Zululand	2.2 Sport	-	-	200	200	200	200	200	220	230
Sail Africa	2.2 Sport	-	300	400	200	-	-	-	-	-
SASCOC	2.2 Sport	7 129	-	-	-	-	-	-	-	-
TAFTA	2.3 Recreation	67	120	-	-	-	-	-	-	-
Talent is Enough	2.3 Recreation	-	120	-	-	-	-	-	-	-
The PRIME Trust	2.2 Sport	4 246	5 168	3 317	5 500	5 500	5 500	4 500	4 600	4 700
Verulam Day and Frail Care Centre	2.3 Recreation	35	60	-	-	-	-	-	-	-
Total		65 144	53 911	49 079	48 391	45 033	45 033	40 997	42 621	44 247

The high amount in 2014/15 is attributed to additional funding received for hosting of the 20th Comrades Marathon (AIMS Congress), Dusi Canoe Marathon and the suspension of PMB Bike City (Cycling SA) funding from EDTEA. The increase in 2016/17 is due to the reprioritisation of funds from *Goods and services* for the introduction of transfers to the KZN Sport Confederation, as well as additional funds in respect of the MPSD grant as a result of an oversight by NDOSR, as mentioned. The decrease over the MTEF can be attributed to non-allocation of funds against some entities, such as the KZN Gymnastics,

KZN Hockey (Coastal and Midlands) and KZN Volleyball due to fiscal consolidation cuts against the MPSD grant, as mentioned. The allocations over the MTEF cater for the continued transfers to sporting federations and sporting bodies, such as the Coastal Horse Care Unit, KZN Academy of Sport and The PRIME Trust.

Hoy Park Management (Pty) Ltd hosted the U19 International Football Association on behalf of the department from July to August in 2016. Transfers to the Hoy Park Management (Pty) Ltd were funded under the equitable share and the MPSD grant. The U19 International Football Tournament was cancelled in 2017/18 by the organisers, as mentioned. The department will no longer be transferring funds to this entity. Transfers to various football clubs were introduced, such as Golden Arrows, Maritzburg United, Real Kings and Royal Eagles, among others.

7.8 Transfers to local government

Tables 10.10 and 10.11 indicate transfers made to local government by category and by grant name. Details per municipality are reflected in *Annexure – Vote 10: Sport and Recreation*.

The transfers against the three categories cater for payments to the Metro, local and district municipalities as implementing agents for the construction of sport and recreation facilities. It should be noted that transfers to local government include funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 10.10 and 10.11.

Table 10.10 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	-	10 000	-	20 300	20 000	20 000	-	-	-
Category B	20 475	11 500	12 174	17 539	28 080	28 080	33 100	32 972	34 620
Category C	-	-	-	-	-	-	-	-	-
Unallocated	1 725	150	-	-	-	-	-	-	-
Total	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620

Table 10.11 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Maintenance grant	2.2 Sport	3 300	1 650	1 700	2 000	2 000	2 000	1 700	-	-
Infrastructure	2.2 Sport	18 900	20 000	10 474	35 839	46 080	46 080	31 400	32 972	34 620
Total		22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620

Category A relates to transfers made to the eThekweni Metro. Funds in respect of the construction of the sports development centre were suspended from 2014/15 to 2015/16 due to challenges experienced by the eThekweni Metro with regard to the location of the sports development centre. In 2015/16, R20 million was suspended to 2016/17 and 2017/18, with R10 million allocated in each year for the construction of the sports development centre. The allocated R10 million in 2016/17 was suspended to 2017/18 due to the Metro continuing to experience challenges with regard to the eviction of the current tenants. During the 2017/18 first quarter bilateral meetings, Provincial Treasury advised the department to request for a suspension of funds to 2018/19 as there was no indication of when the court proceedings will end. However, this request was submitted too late for inclusion in the 2017/18 Adjustments Estimate, hence Provincial Treasury indicated that any unspent funds relating to this project will be rolled over to 2018/19 as long as the department shows under-spending at of least this amount.

Category B relates to transfers to municipalities for the construction and maintenance of sport facilities. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from *Buildings and other fixed structures* for the construction of sport facilities by municipalities, such as the uMzimkhulu, Newcastle and Mtubatuba sport fields. The department decided that it is better in most instances for municipalities to implement the construction themselves as opposed to the department, as the municipalities have the necessary expertise to deal with the local conditions, as mentioned. The allocation in the outer year provides for the construction of fitness centres by municipalities, in areas such as uMzinyathi, uMhlathuze, and Newcastle.

The amounts against *Unallocated* were allocated to municipalities, however, due to the change in municipal boundaries, some municipalities ceased to exist and some were amalgamated. The amounts against *Unallocated* in 2014/15 and 2015/16 thus relate to these municipalities.

Maintenance grant caters for transfers to municipalities for the upkeep of sport facilities constructed by the department. The department allocates a large portion of the EPWP Integrated Grant for Provinces for the maintenance of sport fields.

Infrastructure relates to funds transferred to municipalities for the construction of sport facilities. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from *Buildings and other fixed structures* for the construction of sport facilities, as mentioned. The allocation in the outer year provides for the construction of fitness centres by municipalities.

7.9 Transfers and subsidies

Table 10.12 is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2014/15 to 2020/21 for the category as a whole.

Table 10.12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	420	317	783	380	501	501	361	418	447
Provinces and municipalities	23	27	38	23	23	23	42	46	51
Motor vehicle licences	23	27	38	23	23	23	42	46	51
Departmental agencies and accounts	315	273	295	357	280	280	319	372	396
Skills Development Levy-THETA	314	273	289	351	274	274	313	366	390
SABC-TV Licences	1	-	6	6	6	6	6	6	6
Households	82	17	450	-	198	198	-	-	-
Staff exit costs	82	14	450	-	193	193	-	-	-
Claims against the state	-	3	-	-	5	5	-	-	-
2. Sport and Recreation	88 785	76 472	62 497	86 830	94 143	94 143	74 733	76 265	79 563
Provinces and municipalities	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Sport facilities	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Public corporations and private enterprises	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Private enterprises	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Non-profit institutions	65 144	48 593	45 947	44 391	41 162	41 162	37 577	39 111	40 647
Sport federations	65 144	48 593	45 947	44 391	41 162	41 162	37 577	39 111	40 647
Households	1 441	911	1 244	600	1 030	1 030	636	672	696
Staff exit costs	39	12	252	-	267	267	-	-	-
Claims against the state	-	-	2	-	-	-	-	-	-
Sponsorships	-	480	590	-	363	363	-	-	-
External bursaries	1 402	419	400	600	400	400	636	672	696
Total	89 205	76 789	63 280	87 210	94 644	94 644	75 094	76 683	80 010

Transfers and subsidies under Programme 1 fluctuates over the seven-year period:

- *Provinces and municipalities* relates to motor vehicle licences.
- *Departmental agencies and accounts* relates to payments to THETA in respect of the skills development levy and the payment of television licences for the department.
- *Households* caters for staff exit costs, as well as claims against the state, such as insurance claims.

Transfers and subsidies under Programme 2 also fluctuates over the seven-year period, as follows:

- *Provinces and municipalities* caters for the construction of new sport facilities, such as combination courts, with municipalities as implementing agents. The allocation in the outer year provides for the construction of fitness centres by municipalities, as mentioned.
- *Public corporations and private enterprises* caters for transfers to football clubs, such as Golden Arrows, Maritzburg United, Real Kings and Royal Eagles. These football clubs undertake soccer development programmes in rural areas on behalf of the department.
- *Non-profit institutions* caters for transfers to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The allocation over the MTEF caters for

the continued transfers to sporting federations and sporting bodies, such as the Coastal Horse Care Unit, KZN Academy of Sport and The PRIME Trust.

- *Households* caters for staff exit costs, external bursaries, as well as sponsorships from various organisations. The MTEF allocations relate to external bursary payments, as mentioned.

8. Programme description

The services rendered by this department are categorised under two programmes, namely Programme 1: Administration and Programme 2: Sport and Recreation. The programmes are aligned to the uniform budget and programme structure for Sport and Recreation as prescribed by the Sport, Arts and Culture sector.

The expenditure and budgeted estimates for each of these programmes are also summarised in terms of economic classification, details of which are presented in *Annexure – Vote 10: Sport and Recreation*.

8.1 Programme 1: Administration

The purpose of Programme 1 is to provide overall management of the department. The programme's aim includes management of the department through the office of the HOD and the provision of financial management, human resource services, administration services, and security and communication services.

Tables 10.13 and 10.14 summarise payments and estimates relating to 2014/15 to 2020/21.

Table 10.13 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Corporate Services	91 589	85 937	83 429	87 290	85 140	85 140	94 791	101 298	107 974
Total	91 589	85 937	83 429	87 290	85 140	85 140	94 791	101 298	107 974

Table 10.14 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	74 103	76 816	76 450	80 781	79 039	79 039	90 679	96 708	103 209
Compensation of employees	30 043	30 431	32 435	41 045	33 963	33 963	46 070	49 609	54 449
Goods and services	44 060	46 385	44 015	39 736	45 076	45 076	44 609	47 099	48 760
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	420	317	783	380	501	501	361	418	447
Provinces and municipalities	23	27	38	23	23	23	42	46	51
Departmental agencies and accounts	315	273	295	357	280	280	319	372	396
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	82	17	450	-	198	198	-	-	-
Payments for capital assets	17 066	8 804	6 196	6 129	5 600	5 600	3 751	4 172	4 318
Buildings and other fixed structures	13 261	1 493	465	100	100	100	-	-	-
Machinery and equipment	3 195	7 164	5 246	5 079	4 550	4 550	3 601	3 772	3 904
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	610	147	485	950	950	950	150	400	414
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	91 589	85 937	83 429	87 290	85 140	85 140	94 791	101 298	107 974

The sub-programme: Corporate Services provides for the effective administration of the department. The decrease in the 2017/18 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* to Programme 2 under *Goods and services* due to non-filling of budgeted critical vacant posts as a result of lengthy internal recruitment processes. There is an increase over the MTEF which is largely attributed to the planned filling of 19 critical vacant posts, such as Chief Director: Corporate

Governance, Chief Director: Corporate Management and Support Services and Director: Legal Support Services. Provincial Treasury approved the filling of 17 of the 19 critical vacant posts in 2017/18, however, these were not filled by the end of the third quarter, hence are now planned for filling in 2018/19.

Spending against *Compensation of employees* fluctuates over the seven-year period. According to the National Treasury guidelines, the annual wage increase should be 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, as well as the 1.5 per cent pay progression. The department has budgeted 35.9 per cent, 7.7 per cent and 9.8 per cent over the three years of the MTEF, respectively, thus making provision for the filling of the above-mentioned critical vacant posts.

Goods and services caters for the operational costs of running the head office, as well as the district offices, such as operating leases for the head office and district offices, audit costs, security and cleaning services. The increase in the 2017/18 Adjusted Appropriation is attributed to the higher than anticipated cleaning, security and audit costs. The increase over the MTEF is due to inflationary increments.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts relates to payments to THETA in respect of the skills development levy, as well as payment of television licences for the department.

Transfers and subsidies to: Households caters for staff exit costs, and claims against the state which are difficult to predict and are therefore not budgeted for over the MTEF.

Buildings and other fixed structures caters for the establishment of the department's district offices. The department allocated R100 000 in 2017/18 for variation order payments in respect of the Ugu district office. The department currently has 11 district offices and will not be constructing any district offices over the MTEF, hence no funds are allocated over the MTEF.

Spending against *Machinery and equipment* fluctuates over the seven-year period due to purchases being largely cyclical in nature. The low allocation over the MTEF is attributed to the department maintaining its current computer equipment and not anticipating to purchase new office equipment due to all district offices having been set up already.

The 2018/19 MTEF allocation against *Software and other intangible assets* is for the maintenance of the department's computer software. The low allocation over the MTEF is attributed to the department not setting up any new district offices, hence not purchasing new software.

8.2 Programme 2: Sport and Recreation

The purpose of this programme is to promote, develop, administer and fund sport in KZN. It also ensures advancement of participation in sport and recreation, talent identification and the promotion of performance excellence. The programme conforms to the uniform budget structure for the sector.

Tables 10.15 and 10.16 reflect a summary of payments and estimates relating to this programme for 2014/15 to 2020/21.

Table 10.15 : Summary of payments and estimates by sub-programme: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Management	56 557	67 306	85 139	110 779	103 669	103 669	110 536	117 852	129 189
2. Sport	202 611	164 257	160 951	183 333	186 188	186 188	159 851	165 937	173 289
3. Recreation	66 428	62 404	46 300	38 925	41 075	41 075	39 856	41 896	44 006
4. School Sport	34 060	57 592	47 479	43 263	47 881	47 881	46 919	49 719	52 512
Total	359 656	351 559	339 869	376 300	378 813	378 813	357 162	375 404	398 996

Table 10.16 : Summary of payments and estimates by economic classification: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	243 957	256 892	243 376	260 332	264 250	264 250	267 138	283 995	304 066
Compensation of employees	77 179	82 908	74 860	96 576	88 567	88 567	97 219	102 659	112 887
Goods and services	166 778	173 984	168 516	163 756	175 683	175 683	169 919	181 336	191 179
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	88 785	76 472	62 497	86 830	94 143	94 143	74 733	76 265	79 563
Provinces and municipalities	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Non-profit institutions	65 144	48 593	45 947	44 391	41 162	41 162	37 577	39 111	40 647
Households	1 441	911	1 244	600	1 030	1 030	636	672	696
Payments for capital assets	26 914	18 195	33 852	29 138	20 420	20 420	15 291	15 144	15 367
Buildings and other fixed structures	26 914	18 195	33 852	29 138	20 420	20 420	15 291	15 144	15 367
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	144	-	-	-	-	-	-
Total	359 656	351 559	339 869	376 300	378 813	378 813	357 162	375 404	398 996

Spending against Programme 2 fluctuates over the seven-year period. The allocation includes both the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces. There is no allocation at this stage against these two grants in the outer years. The allocation against the MPSD grant was decreased over the MTEF and the implication of the cut is less participation in national tournaments, as informed by NDOSR. The department will focus on cluster, district and provincial tournaments, such as the Autumn, Summer and Winter Games.

The sub-programme: Management caters for development, transformation, empowerment and high performance through the delivery of sustainable sport and recreation programmes. This sub-programme increases over the MTEF mainly as a result of the planned filling of 15 critical vacant posts, such as Deputy Director: Operations, Director: Strategic Projects and High Performance and Provincial Co-ordinator: Lifestyle Recreation. This sub-programme provides for the managerial oversight functions for the programme, and houses the *Compensation of employees* budget and associated operational costs for the programme as a whole. The department moved the Social Sector EPWP Incentive Grant for Provinces from the Recreation sub-programme to this sub-programme in order to correctly allocate the budget in 2017/18. Prior year figures were adjusted accordingly. The decrease over the MTEF is largely attributed to the decrease in the Social Sector EPWP Incentive Grant for Provinces between 2017/18 and 2018/19. There is no allocation against the Social Sector EPWP Incentive Grant for Provinces beyond 2018/19, at this stage. The department will continue to appoint volunteers against both the MPSD and Social Sector EPWP Incentive Grant for Provinces and conduct sport management forums/meetings against this sub-programme.

The sub-programme: Sport is for the implementation of sustainable provincial sport programmes through talent optimisation, high performance and the staging of development games and championships. This sub-programme provides for most of the department's events, such as the National Youth Run, Comrades Marathon, and the Mandela Day Marathon. It also provides for the transfer to the eThekweni Metro for the construction of the sports development centre accounting for the fluctuating trend, as mentioned previously. The 2018/19 MTEF allocations include the MPSD and EPWP Integrated Grant for Provinces. The decrease over the MTEF is largely attributed to the implementation of the fiscal consolidation cuts against the MPSD grant, as mentioned. In addition, no funds are allocated against the EPWP Integrated Grant for Provinces beyond 2018/19, at this stage.

The sub-programme: Recreation implements recreational programmes to promote an active lifestyle. This sub-programme includes the Siyadlala mass participation programme element of the MPSD grant, whereby the department promotes healthy lifestyles through mass participation in organised sport and

recreation events, in line with the conditional grant framework. The spending and allocation against the Social Sector EPWP Incentive Grant for Provinces was moved to the Management sub-programme, as mentioned. The decrease over the MTEF is largely attributed to the fiscal consolidation cuts against the MPSD grant.

The School Sport sub-programme focuses on mass participation sport among learners, with emphasis on previously disadvantaged urban and rural schools. The sub-programme comprises mainly the MPSD grant. The decrease over the MTEF compared to the 2017/18 Adjusted Appropriation is attributed to the implementation of the fiscal consolidation cuts against the MPSD grant, as mentioned.

Spending against *Compensation of employees* fluctuates over the seven-year period. The department has budgeted for an increase of 7.8 per cent, 5.6 per cent and 10 per cent over the three years of the MTEF, respectively, for filling 18 critical vacant posts, such as District Operations Manager, Director: Strategic Project and High Performance and Provincial Co-ordinator: Lifestyle Recreation. The low growth in 2019/20 can be attributed to the fact that the department does not budget for social contributions for volunteers appointed under the MPSD. Provincial Treasury approved the filling of 15 of the 18 critical vacant posts in 2017/18, however these were not filled due to the department's lengthy internal recruitment process, as mentioned. The growth in 2018/19 is evident even if the R300 000 budgeted for the appointment of contract employees against the EPWP Integrated Grant for Provinces and the full Social Sector EPWP Incentive Grant for Provinces allocation is excluded. There are no allocations against these two conditional grants beyond 2018/19, at this stage.

Goods and services caters for provincial sporting events which the department hosts. The MTEF allocation provides for departmental events and tournaments, such as the National Youth Run, Comrades Marathon, Mandela Day Marathon, Golden Games and Dundee July. In addition, the increase caters for training of teachers, volunteers and coaches in the various sport codes.

Transfers and subsidies to: Provinces and municipalities caters for the construction of new sport facilities, such as combination courts, with municipalities as implementing agents. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from *Buildings and other fixed structures* for the construction of sport facilities by municipalities, as mentioned. The allocation in the outer year provides for the construction of fitness centres by municipalities, in areas such as uMzinyathi, uMhlathuze and Newcastle.

Transfers and subsidies to: Public corporations and private enterprises catered for transfers to Hoy Park Management (Pty) Ltd in respect of the U19 International Football from 2015/16 to 2016/17. The tournament was cancelled in 2017/18, hence the decrease in the 2017/18 Adjusted Appropriation. The funds allocated from the 2017/18 Adjusted Appropriation and over the MTEF are in respect of transfers to various football clubs, such as the Golden Arrows, Maritzburg United, Real Kings and Royal Eagles. These football clubs undertake soccer development programmes in rural areas on behalf of the department.

Transfers and subsidies to: Non-profit institutions caters for transfers to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The decrease over the MTEF compared to the 2017/18 Main Appropriation is due to the implementation of the fiscal consolidation cuts against the MPSD grant, as a result of which the department will no longer be transferring funds to some entities, such as the KZN Gymnastics, KZN Hockey (Coastal and Midlands) and KZN Volleyball. The allocation over the MTEF caters for the continued transfers to sporting federations and sporting bodies, such as the Coastal Horse Care Unit, KZN Academy of Sport and The PRIME Trust.

Transfers and subsidies to: Households caters for staff exit costs, as well as external bursaries. The MTEF provides for 81 bursaries awarded to high performing athletes in fields such as a Bachelor Degree in Sports Management and Diploma in Financial Accounting. The purpose of awarding bursaries to athletes is to retain high performing athletes in the province.

The MTEF allocations against *Buildings and other fixed structures* cater for the construction of sport facilities by the department, such as combination courts, outdoor gyms, kick-about fields and hub centres.

Service delivery measures: Sport and Recreation

Table 10.17 illustrates the main service delivery measures relevant to Programme 2. The department incorporated the five sector measures in the department's 2018/19 APP, and these are included in Table 10.17. The bulk of the performance indicators reflected in the table are non-sector. A few of the outputs and performance indicators have changed description. The department has included new targets and these are reflected as "New".

Table 10.17 : Service delivery measures: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Sport					
1.1 Community Sport Promotion and Development					
1.1.1 Promoting the transformation, talent optimisation and development of sport with special emphasis on rural development	<ul style="list-style-type: none"> No. of athletes from rural/disadvantaged communities supported to major events No. of district and provincial SALGA-KZNSDR progs supported No. of community sport structures receiving non-financial support to drive transformation at district level No. of sport federations receiving financial support by transfer payment to drive transformation 	625 12 New 21	1 090 12 24 20	1 200 12 24 20	1 300 12 24 20
1.1.2 Promoting access to sport and recreation through support for vulnerable groups	<ul style="list-style-type: none"> No. of community disability sport structures receiving non-financial support to drive transformation No. of district and provincial disability progs supported (Inter-district Games) No. of participants with disability supported 	11 New 3 000	11 12 2 000	11 12 2 200	11 12 2 400
1.2 Sport and Recreation Infrastructure Planning and Development (Facilities)	<ul style="list-style-type: none"> No. of kick-about sport facilities constructed in rural / disadvantaged communities No. of combination (multi-purpose) courts constructed in schools/communities No. of local hubs supported No. of children's play gyms installed 	11 11 11 33	33 22 11 33	33 22 11 33	33 22 11 33
1.3 Club Development					
1.3.1 Investing in social capital by transforming the sport and recreation landscape through implementation of the club and rural sport development prog.	<ul style="list-style-type: none"> No. of clubs provided with equipment/attire No. of local leagues supported No. of clubs participating in the rural sport development prog. Supported 	900 120 60	1 000 130 80	1 100 140 90	1 100 150 100
1.3.2 Promoting long-term participant development (LTPD) through implementation of the academy system (incl. EADP)	<ul style="list-style-type: none"> No. of sport academies supported No. of athletes supported through sport academies 	9 450	10 540	11 580	11 620
1.4 Strategic Projects					
1.4.1 To strategically develop identified sport codes for transformation and social cohesion	<ul style="list-style-type: none"> No. of district and provincial chess progs. supported No. of clubs/organisations benefitting from community outreach progs. No. of prioritised projects supported to promote transformation 	12 450 New	12 450 14	12 450 14	12 500 14
2. Recreation					
2.1 Organised Recreation					
2.1.1 Promoting active and healthy lifestyles to impact on the health of citizens	<ul style="list-style-type: none"> No. of recreation organisations receiving financial support through transfer payment No. of work and play progs implemented No. of people trained 	5 11 850	5 13 550	6 13 675	6 13 600
2.2 Community Recreation (Siyadlala)					
2.2.1 Promoting active and healthy lifestyles to impact on the health of citizens	<ul style="list-style-type: none"> No. of hubs provided with equipment and/or attire No. of active recreation events organized and implemented No. of district mass based recreation day campaigns promoting active lifestyle implemented 	142 167 New	142 167 11	120 180 11	125 190 11
2.2.2 Youth development through job creation/skill development	<ul style="list-style-type: none"> No. of people trained 	431	170	170	170

Table 10.17 : Service delivery measures: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
3. School Sport					
3.1 Progs promoting youth development	<ul style="list-style-type: none"> No. of schools provided with equipment/attire No. of learners participating in school sport tournaments at district level No. of learners actively participating in organised sport and recreation events (youth run) 	400 12 000 9 500	400 25 000 10 000	400 25 000 10 500	425 25 000 11 000

9. Other programme information

9.1 Personnel numbers and costs

Table 10.18 illustrates the detail of the department's approved establishment and personnel numbers. The table also gives a breakdown of employee dispensation classification.

Table 10.18 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimate						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Filled posts	Add. posts	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
R thousands																			
Salary level																			
1 – 6	53	12 465	77	14 804	74	15 988	70	2	72	16 098	76	18 189	76	20 143	76	22 170	1.8%	11.3%	13.2%
7 – 10	112	32 068	148	38 100	141	42 443	143	-	143	61 851	156	70 308	156	76 546	156	84 298	2.9%	10.9%	50.4%
11 – 12	15	23 238	17	27 602	17	30 086	17	-	17	13 762	29	24 953	29	27 000	29	29 761	19.5%	29.3%	16.0%
13 – 16	14	7 620	13	9 055	13	13 330	11	-	11	15 427	19	21 700	19	23 259	19	25 409	20.0%	18.1%	14.5%
Other	1 155	31 831	1 074	23 778	638	5 448	-	831	831	15 392	240	8 139	157	5 320	157	5 698	(43%)	(28%)	6.0%
Total	1 349	107 222	1 329	113 339	883	107 295	241	833	1 074	122 530	520	143 289	437	152 268	437	167 336	(26%)	10.9%	100.0%
Programme																			
1. Administration	90	30 043	84	30 431	82	32 435	63	15	78	33 963	98	46 070	98	49 609	98	54 449	7.9%	17.0%	31.2%
2. Sport and Recreation	1 259	77 179	1 245	82 908	801	74 860	178	818	996	88 567	422	97 219	339	102 659	339	112 887	(30%)	8.4%	68.8%
Total	1 349	107 222	1 329	113 339	883	107 295	241	833	1 074	122 530	520	143 289	437	152 268	437	167 336	(26%)	10.9%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	194	75 391	255	89 561	245	101 847	241	-	241	107 138	280	135 150	280	146 948	280	161 638	5.1%	14.7%	94.0%
Others (interns, EPWP, learnerships)	1 155	31 831	1 074	23 778	638	5 448	-	833	833	15 392	240	8 139	157	5 320	157	5 698	(42.7%)	(28.2%)	6.0%
Total	1 349	107 222	1 329	113 339	883	107 295	241	833	1 074	122 530	520	143 289	437	152 268	437	167 336	(26%)	10.9%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

According to the department, 1 074 posts are filled in 2016/17, of which 831 relate to volunteers (as explained below) and 256 relate to posts on the department's approved establishment.

Volunteers are reflected against *Other*. These volunteers are appointed under the MPSD grant and Social Sector EPWP Incentive Grant for Provinces. The high number of volunteers from 2014/15 to 2015/16 is due to the department appointing additional volunteers using equitable share funding. The number of volunteers appointed decreases from 831 in 2017/18 to 240 in 2018/19 and 157 onward due to the substantial decrease in the Social Sector EPWP Incentive Grant for Provinces in 2018/19, as well as the non-allocation of the grant in the outer years, at this stage.

The growth against *Compensation of employees* caters for the filling of 37 critical vacant posts, as mentioned. Provincial Treasury approved 32 of the 37 critical vacant posts in 2017/18, however, these were not filled. In addition, the department has allocated R300 000 against the EPWP Integrated Grant for Provinces and the full allocation of the Social Sector EPWP Incentive Grant for Provinces for the appointment 257 volunteers. The growth against *Compensation of employees* excluding the Social Sector EPWP Incentive Grant for Provinces over the MTEF is 15.5, 6.3 and 9.9 per cent for each of the three years of the MTEF, respectively. The low growth in 2019/20 can be attributed to the department not budgeting for social benefits for volunteers appointed under the MPSD conditional grant.

9.2 Training

Table 10.19 reflects departmental payments on training per programme over the seven-year period.

Table 10.19 : Information on training: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	1 349	1 329	883	1 074	1 074	1 074	520	437	437
Number of personnel trained	166	139	150	150	157	157	181	181	181
of which									
Male	52	66	60	60	63	63	72	72	72
Female	114	73	90	90	94	94	109	109	109
Number of training opportunities	17	4	4	4	20	20	13	17	19
of which									
Tertiary	-	4	4	4	10	10	-	-	-
Workshops	6	-	-	-	4	4	6	6	6
Seminars	5	-	-	-	3	3	3	7	9
Other	6	-	-	-	3	3	4	4	4
Number of bursaries offered	78	88	35	35	61	61	81	81	81
Number of interns appointed	26	14	14	14	14	14	14	14	14
Number of learnerships appointed	1	1	-	-	-	-	-	-	-
Number of days spent on training	69	78	60	60	66	66	76	76	76
Payments on training by programme									
1. Administration	772	1 895	1 585	1 533	1 533	1 533	1 624	1 731	1 792
2. Sport and Recreation	5 861	4 984	978	4 791	4 591	4 591	4 810	4 963	5 070
Total	6 633	6 879	2 563	6 324	6 124	6 124	6 434	6 694	6 862

The department has budgeted 1 per cent of its salary expense for staff training as per the requirement of the Skills Development Levies Act.

The training opportunity against *Other* is under Programme 2 and relates to training provided to the hub co-ordinators in respect of the various clusters in the MPSD grant.

The total training budget is split into three categories, *Bursaries: Employees* which caters for bursaries for internal employees, *Training and development* and *Transfers and subsidies to: Households* which caters for external bursaries.

ANNEXURE – VOTE 10: SPORT AND RECREATION

Table 10.A : Details of receipts: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	170	229	354	170	170	170	175	180	190
Sale of goods and services produced by department (excluding capital assets)	170	223	354	170	170	170	175	180	190
Sales by market establishments	19	43	46	60	60	60	65	70	74
Other sales	-	-	-	-	-	-	-	-	-
Administrative fees	44	48	63	60	60	60	65	70	74
Other sales	107	132	245	50	50	50	55	60	63
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	6	-	-	-	-	-	-	-
Transfers received from:	-	410	362	-	-	280	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	410	362	-	-	280	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	124	287	399	210	210	210	222	235	248
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	124	287	399	210	210	210	222	235	248
Transactions in financial assets and liabilities	105	53	55	33	33	33	35	37	39
Total	399	979	1 170	413	413	693	432	452	477

Table 10.B: Payments and estimates by economic classification: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	318 060	333 708	319 826	341 113	343 289	343 289	357 817	380 703	407 275
Compensation of employees	107 222	113 339	107 295	137 621	122 530	122 530	143 289	152 268	167 336
Salaries and wages	97 985	101 385	93 478	110 097	98 028	98 028	114 631	121 815	133 869
Social contributions	9 237	11 954	13 817	27 524	24 502	24 502	28 658	30 453	33 467
Goods and services	210 838	220 369	212 531	203 492	220 759	220 759	214 528	228 435	239 939
Administrative fees	8	-	4 064	3 740	5 470	5 470	4 751	5 175	5 602
Advertising	2 828	4 620	4 575	2 729	3 478	3 478	3 781	4 129	4 316
Minor assets	254	914	296	644	644	644	818	888	919
Audit cost: External	2 884	3 273	2 519	2 901	3 654	3 654	3 082	3 255	3 369
Bursaries: Employees	131	314	75	300	300	300	300	300	311
Catering: Departmental activities	12 540	9 443	11 776	17 153	16 873	16 873	21 598	22 842	23 795
Communication (G&S)	3 456	3 043	3 529	3 505	4 075	4 075	3 800	3 781	3 911
Computer services	5 922	5 986	5 547	7 091	7 091	7 091	7 880	8 121	8 405
Cons & prof serv: Business and advisory services	6 794	5 055	3 499	7 937	8 889	8 889	8 417	9 061	9 580
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	914	419	510	410	810	810	416	425	440
Contractors	3 988	3 265	5 004	5 823	6 583	6 583	6 661	6 954	7 091
Agency and support / outsourced services	5 039	3 879	4 365	-	500	500	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	1 861	1 989	2 896	2 240	2 840	2 840	2 340	2 442	2 527
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	31 914	28 068	39 529	43 036	44 448	44 448	33 154	34 709	37 099
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	679	894	-	-	-	-	-	-
Consumable supplies	599	994	249	243	243	243	263	278	288
Consumable: Stationery, printing and office supplies	3 532	3 366	2 674	3 446	2 946	2 946	3 587	3 824	3 955
Operating leases	6 450	8 434	7 070	7 905	7 905	7 905	8 508	9 198	9 520
Property payments	4 550	5 982	5 509	6 248	6 448	6 448	6 686	7 186	7 437
Transport provided: Departmental activity	16 866	18 767	18 881	25 817	27 117	27 117	27 799	30 105	31 153
Travel and subsistence	7 646	2 882	7 367	10 375	10 135	10 135	9 866	11 219	12 138
Training and development	5 100	6 145	2 088	5 424	5 424	5 424	5 498	5 722	5 855
Operating payments	2 682	4 115	5 949	1 810	2 720	2 720	1 795	1 924	1 974
Venues and facilities	84 880	98 737	73 666	44 715	52 166	52 166	53 528	56 897	60 254
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	89 205	76 789	63 280	87 210	94 644	94 644	75 094	76 683	80 010
Provinces and municipalities	22 223	21 677	12 212	37 862	48 103	48 103	33 142	33 018	34 671
Provinces	23	27	38	23	23	23	42	46	51
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	23	27	38	23	23	23	42	46	51
Municipalities	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Municipalities	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	315	273	295	357	280	280	319	372	396
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	315	273	295	357	280	280	319	372	396
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Non-profit institutions	65 144	48 593	45 947	44 391	41 162	41 162	37 577	39 111	40 647
Households	1 523	928	1 694	600	1 228	1 228	636	672	696
Social benefits	121	26	702	-	460	460	-	-	-
Other transfers to households	1 402	902	992	600	768	768	636	672	696
Payments for capital assets	43 980	26 999	40 048	35 267	26 020	26 020	19 042	19 316	19 685
Buildings and other fixed structures	40 175	19 688	34 317	29 238	20 520	20 520	15 291	15 144	15 367
Buildings	13 261	1 493	465	100	100	100	-	-	-
Other fixed structures	26 914	18 195	33 852	29 138	20 420	20 420	15 291	15 144	15 367
Machinery and equipment	3 195	7 164	5 246	5 079	4 550	4 550	3 601	3 772	3 904
Transport equipment	1 876	3 258	2 426	1 500	1 500	1 500	2 000	2 010	2 080
Other machinery and equipment	1 319	3 906	2 820	3 579	3 050	3 050	1 601	1 762	1 824
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	610	147	485	950	950	950	150	400	414
Payments for financial assets	-	-	144	-	-	-	-	-	-
Total	451 245	437 496	423 298	463 590	463 953	463 953	451 953	476 702	506 970

Table 10.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	74 103	76 816	76 450	80 781	79 039	79 039	90 679	96 708	103 209
Compensation of employees	30 043	30 431	32 435	41 045	33 963	33 963	46 070	49 609	54 449
Salaries and wages	26 749	26 526	28 263	32 836	27 174	27 174	36 856	39 687	43 559
Social contributions	3 294	3 905	4 172	8 209	6 789	6 789	9 214	9 922	10 890
Goods and services	44 060	46 385	44 015	39 736	45 076	45 076	44 609	47 099	48 760
Administrative fees	8	-	121	25	255	255	55	61	63
Advertising	2 485	4 101	4 397	1 256	2 005	2 005	2 900	3 192	3 319
Minor assets	254	914	284	644	644	644	818	888	919
Audit cost: External	2 884	3 273	2 519	2 901	3 654	3 654	3 082	3 255	3 369
Bursaries: Employees	131	314	75	300	300	300	300	300	311
Catering: Departmental activities	1 044	410	307	41	41	41	218	219	221
Communication (G&S)	3 273	2 810	3 176	3 275	3 675	3 675	3 555	3 511	3 632
Computer services	5 922	5 986	5 547	7 091	7 091	7 091	7 880	8 121	8 405
Cons & prof serv: Business and advisory services	4 185	917	481	695	1 647	1 647	829	874	918
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	914	419	510	410	810	810	416	425	440
Contractors	556	452	332	101	101	101	37	39	40
Agency and support / outsourced services	1 789	1 415	2 372	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	1 861	1 989	2 896	2 240	2 840	2 840	2 340	2 442	2 527
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	40	194	31	30	130	130	15	15	15
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	525	671	204	243	243	243	263	278	288
Consumable: Stationery, printing and office supplies	2 783	2 356	1 268	2 112	2 112	2 112	2 140	2 278	2 356
Operating leases	6 450	8 434	7 070	7 905	7 905	7 905	8 508	9 198	9 520
Property payments	4 550	5 982	5 492	6 248	6 448	6 448	6 686	7 186	7 437
Transport provided: Departmental activity	250	224	19	159	159	159	313	322	328
Travel and subsistence	2 266	2 339	2 025	2 387	2 387	2 387	2 294	2 402	2 492
Training and development	641	1 581	1 510	1 233	1 233	1 233	1 324	1 431	1 481
Operating payments	439	721	2 075	242	442	442	130	137	140
Venues and facilities	810	883	1 304	198	954	954	506	525	539
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	420	317	783	380	501	501	361	418	447
Provinces and municipalities	23	27	38	23	23	23	42	46	51
Provinces	23	27	38	23	23	23	42	46	51
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	23	27	38	23	23	23	42	46	51
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	315	273	295	357	280	280	319	372	396
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	315	273	295	357	280	280	319	372	396
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	82	17	450	-	198	198	-	-	-
Social benefits	82	14	450	-	193	193	-	-	-
Other transfers to households	-	3	-	-	5	5	-	-	-
Payments for capital assets	17 066	8 804	6 196	6 129	5 600	5 600	3 751	4 172	4 318
Buildings and other fixed structures	13 261	1 493	465	100	100	100	-	-	-
Buildings	13 261	1 493	465	100	100	100	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 195	7 164	5 246	5 079	4 550	4 550	3 601	3 772	3 904
Transport equipment	1 876	3 258	2 426	1 500	1 500	1 500	2 000	2 010	2 080
Other machinery and equipment	1 319	3 906	2 820	3 579	3 050	3 050	1 601	1 762	1 824
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	610	147	485	950	950	950	150	400	414
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	91 589	85 937	83 429	87 290	85 140	85 140	94 791	101 298	107 974

Table 10.D : Payments and estimates by economic classification: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	243 957	256 892	243 376	260 332	264 250	264 250	267 138	283 995	304 066
Compensation of employees	77 179	82 908	74 860	96 576	88 567	88 567	97 219	102 659	112 887
Salaries and wages	71 236	74 859	65 215	77 261	70 854	70 854	77 775	82 128	90 310
Social contributions	5 943	8 049	9 645	19 315	17 713	17 713	19 444	20 531	22 577
Goods and services	166 778	173 984	168 516	163 756	175 683	175 683	169 919	181 336	191 179
Administrative fees	-	-	3 943	3 715	5 215	5 215	4 696	5 114	5 539
Advertising	343	519	178	1 473	1 473	1 473	881	937	997
Minor assets	-	-	12	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	11 496	9 033	11 469	17 112	16 832	16 832	21 380	22 623	23 574
Communication (G&S)	183	233	353	230	400	400	245	270	279
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	2 609	4 138	3 018	7 242	7 242	7 242	7 588	8 187	8 662
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	3 432	2 813	4 672	5 722	6 482	6 482	6 624	6 915	7 051
Agency and support / outsourced services	3 250	2 464	1 993	-	500	500	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	31 874	27 874	39 498	43 006	44 318	44 318	33 139	34 694	37 084
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	679	894	-	-	-	-	-	-
Consumable supplies	74	323	45	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	749	1 010	1 406	1 334	834	834	1 447	1 546	1 599
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	17	-	-	-	-	-	-
Transport provided: Departmental activity	16 616	18 543	18 862	25 658	26 958	26 958	27 486	29 783	30 825
Travel and subsistence	5 380	543	5 342	7 988	7 748	7 748	7 572	8 817	9 646
Training and development	4 459	4 564	578	4 191	4 191	4 191	4 174	4 291	4 374
Operating payments	2 243	3 394	3 874	1 568	2 278	2 278	1 665	1 787	1 834
Venues and facilities	84 070	97 854	72 362	44 517	51 212	51 212	53 022	56 372	59 715
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	88 785	76 472	62 497	86 830	94 143	94 143	74 733	76 265	79 563
Provinces and municipalities	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Municipalities	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	5 318	3 132	4 000	3 871	3 871	3 420	3 510	3 600
Non-profit institutions	65 144	48 593	45 947	44 391	41 162	41 162	37 577	39 111	40 647
Households	1 441	911	1 244	600	1 030	1 030	636	672	696
Social benefits	39	12	252	-	267	267	-	-	-
Other transfers to households	1 402	899	992	600	763	763	636	672	696
Payments for capital assets	26 914	18 195	33 852	29 138	20 420	20 420	15 291	15 144	15 367
Buildings and other fixed structures	26 914	18 195	33 852	29 138	20 420	20 420	15 291	15 144	15 367
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	26 914	18 195	33 852	29 138	20 420	20 420	15 291	15 144	15 367
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	144	-	-	-	-	-	-
Total	359 656	351 559	339 869	376 300	378 813	378 813	357 162	375 404	398 996

Table 10.E : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	84 434	82 938	95 383	100 507	102 152	102 152	92 444	96 688	103 235
Compensation of employees	21 256	10 019	10 669	21 152	21 152	21 152	11 260	10 210	10 940
Salaries and wages	20 340	9 308	9 649	16 922	16 922	16 922	9 008	8 168	8 752
Social contributions	916	711	1 020	4 230	4 230	4 230	2 252	2 042	2 188
Goods and services	63 178	72 919	84 714	79 355	81 000	81 000	81 184	86 478	92 295
Administrative fees	-	-	1 814	1 855	2 255	2 255	2 396	2 678	2 985
Advertising	22	57	93	896	896	896	881	937	997
Minor assets	-	-	7	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	5 451	4 780	5 560	5 932	5 932	5 932	9 594	10 170	10 654
Communication (G&S)	-	-	107	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	451	1 284	982	3 299	3 299	3 299	6 081	6 581	6 996
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	1 155	1 794	1 892	3 398	3 398	3 398	3 409	3 496	3 506
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	20 201	19 067	30 085	28 096	28 096	28 096	19 108	19 601	21 222
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	179	481	-	-	-	-	-	-
Inventory: Other supplies	36	147	39	-	-	-	-	-	-
Consumable supplies	178	811	1 141	695	695	695	791	826	846
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	17	-	-	-	-	-	-
Property payments	8 000	10 420	8 198	12 018	12 018	12 018	12 646	14 192	14 659
Transport provided: Departmental activity	198	278	589	2 118	2 118	2 118	2 029	2 166	2 348
Travel and subsistence	2 046	748	513	3 398	3 398	3 398	3 783	3 892	3 962
Training and development	114	138	836	442	442	442	471	476	477
Operating payments	25 326	33 216	32 360	17 208	18 453	18 453	19 995	21 463	23 643
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	9 231	10 695	9 283	12 085	10 440	10 440	9 707	8 176	8 364
Provinces and municipalities	2 102	2 000	1 700	2 000	2 000	2 000	1 700	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	2 102	2 000	1 700	2 000	2 000	2 000	1 700	-	-
Municipalities	2 102	2 000	1 700	2 000	2 000	2 000	1 700	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5 318	1 160	1 500	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	5 318	1 160	1 500	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	5 318	1 160	1 500	-	-	-	-	-
Non-profit institutions	7 129	3 377	6 423	8 585	8 440	8 440	8 007	8 176	8 364
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	93 665	93 633	104 666	112 592	112 592	112 592	102 151	104 864	111 599

Table 10.F : Payments and estimates by economic classification: Mass Participation and Sport Development grant (Prog 2: Sport and Recreation)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	76 376	81 436	90 507	88 342	89 987	89 987	90 732	96 688	103 235
Compensation of employees	13 198	8 517	7 040	8 987	8 987	8 987	9 548	10 210	10 940
Salaries and wages	12 445	7 836	6 020	7 190	7 190	7 190	7 638	8 168	8 752
Social contributions	753	681	1 020	1 797	1 797	1 797	1 910	2 042	2 188
Goods and services	63 178	72 919	83 467	79 355	81 000	81 000	81 184	86 478	92 295
Administrative fees	-	-	1 814	1 855	2 255	2 255	2 396	2 678	2 985
Advertising	22	57	93	896	896	896	881	937	997
Minor assets	-	-	7	-	-	-	-	-	-
Catering: Departmental activities	5 451	4 780	5 560	5 932	5 932	5 932	9 594	10 170	10 654
Communication (G&S)	-	-	107	-	-	-	-	-	-
Cons and prof serv: Business & advisory services	451	1 284	982	3 299	3 299	3 299	6 081	6 581	6 996
Contractors	1 155	1 794	1 892	3 398	3 398	3 398	3 409	3 496	3 506
Inventory: Material and supplies	20 201	19 067	30 085	28 096	28 096	28 096	19 108	19 601	21 222
Inventory: Other supplies	-	179	481	-	-	-	-	-	-
Consumable supplies	36	147	39	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	178	811	1 141	695	695	695	791	826	846
Property payments	-	-	17	-	-	-	-	-	-
Transport provided: Departmental activity	8 000	10 420	8 198	12 018	12 018	12 018	12 646	14 192	14 659
Travel and subsistence	198	278	589	2 118	2 118	2 118	2 029	2 166	2 348
Training and development	2 046	748	513	3 398	3 398	3 398	3 783	3 892	3 962
Operating payments	114	138	836	442	442	442	471	476	477
Venues and facilities	25 326	33 216	31 113	17 208	18 453	18 453	19 995	21 463	23 643
Transfers and subsidies	7 129	8 695	7 583	10 085	8 440	8 440	8 007	8 176	8 364
Public corporations and private enterprises	-	5 318	1 160	1 500	-	-	-	-	-
Private enterprises	-	5 318	1 160	1 500	-	-	-	-	-
Other transfers	-	5 318	1 160	1 500	-	-	-	-	-
Non-profit institutions	7 129	3 377	6 423	8 585	8 440	8 440	8 007	8 176	8 364
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	83 505	90 131	98 090	98 427	98 427	98 427	98 739	104 864	111 599

Table 10.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 2: Sport and Recreation)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	300	-	-
Compensation of employees	-	-	-	-	-	-	300	-	-
Salaries and wages	-	-	-	-	-	-	240	-	-
Social contributions	-	-	-	-	-	-	60	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 102	2 000	1 700	2 000	2 000	2 000	1 700	-	-
Provinces and municipalities	2 102	2 000	1 700	2 000	2 000	2 000	1 700	-	-
Municipalities	2 102	2 000	1 700	2 000	2 000	2 000	1 700	-	-
Municipalities	2 102	2 000	1 700	2 000	2 000	2 000	1 700	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 102	2 000	1 700	2 000	2 000	2 000	2 000	-	-

Table 10.H : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces (Prog 2: Sport and Recreation)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	8 058	1 502	4 876	12 165	12 165	12 165	1 412	-	-
Compensation of employees	8 058	1 502	3 629	12 165	12 165	12 165	1 412	-	-
Salaries and wages	7 895	1 472	3 629	9 732	9 732	9 732	1 130	-	-
Social contributions	163	30	-	2 433	2 433	2 433	282	-	-
Goods and services	-	-	1 247	-	-	-	-	-	-
Venues and facilities	-	-	1 247	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	8 058	1 502	4 876	12 165	12 165	12 165	1 412	-	-

Table 10.1 : Summary of transfers to local government

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	10 000	-	20 300	20 000	20 000	-	-	-
Total: Ugu Municipalities	3 600	150	600	600	600	600	174	-	-
B KZN212 uMdoni	-	-	-	-	-	-	58	-	-
B KZN213 uMzumbane	1 725	150	-	-	-	-	58	-	-
B KZN214 uMzizwabantu	150	-	-	-	-	-	58	-	-
B KZN216 Ray Nkonyeni	1 725	-	600	600	600	600	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	300	150	1 441	6 147	6 297	6 297	150	-	-
B KZN221 uMshwathi	-	-	-	-	150	150	150	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpindle	-	-	1 441	6 147	6 147	6 147	-	-	-
B KZN225 Msunduzi	150	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	150	150	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	675	-	-	-	1 040	1 040	8 000	8 243	8 655
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	675	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	-	-	1 040	1 040	8 000	8 243	8 655
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	675	10 000	1 500	2 967	167	167	116	-	-
B KZN241 eNdumeni	-	10 000	-	-	-	-	58	-	-
B KZN242 Nquthu	525	-	167	167	167	167	-	-	-
B KZN244 uMsinga	150	-	1 333	2 800	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	58	-	-
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	2 925	300	-	-	889	889	8 024	8 243	8 655
B KZN252 Newcastle	1 200	150	-	-	889	889	7 908	8 243	8 655
B KZN253 eMadlangeni	1 725	150	-	-	-	-	58	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	58	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	2 850	150	167	167	167	167	178	-	-
B KZN261 eDumbe	150	150	-	-	-	-	89	-	-
B KZN262 uPhongolo	675	-	167	167	167	167	89	-	-
B KZN263 Abaqulusi	1 725	-	-	-	-	-	-	-	-
B KZN265 Nongoma	150	-	-	-	-	-	-	-	-
B KZN266 Ulundi	150	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	3 975	-	4 000	3 192	12 675	12 675	116	-	-
B KZN271 uMhlabyalingana	1 575	-	-	-	-	-	58	-	-
B KZN272 Jozini	150	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	1 575	-	4 000	3 192	12 675	12 675	58	-	-
B KZN276 Big Five Hlabisa	675	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	1 725	150	4 300	4 300	5 189	5 189	8 086	8 243	8 655
B KZN281 uMfolozi	-	-	4 000	4 000	4 000	4 000	89	-	-
B KZN282 uMhlathuze	-	-	-	-	889	889	7 908	8 243	8 655
B KZN284 uMlalazi	1 725	150	300	300	300	300	89	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	2 775	150	166	166	166	166	232	-	-
B KZN291 Mandeni	150	150	-	-	-	-	58	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	58	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	58	-	-
B KZN294 Maphumulo	2 625	-	166	166	166	166	58	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	975	450	-	-	890	890	8 024	8 243	8 655
B KZN433 Greater Kokstad	150	150	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	58	-	-
B KZN435 uMzimkhulu	-	-	-	-	890	890	7 908	8 243	8 655
B KZN436 Dr Nkosazana Dlamini Zuma	825	300	-	-	-	-	58	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	1 725	150	-	-	-	-	-	-	-
Total	22 200	21 650	12 174	37 839	48 080	48 080	33 100	32 972	34 620

Table 10.J : Transfers to local government - Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2017/18	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	10 000	-	20 000	20 000	20 000	-	-	-
Total: Ugu Municipalities	3 150	-	-	-	-	-	-	-	-
B KZN213 uMzombe	1 575	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	1 575	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	1 141	5 847	5 847	5 847	-	-	-
B KZN224 iMpindle	-	-	1 141	5 847	5 847	5 847	-	-	-
Total: uThukela Municipalities	525	-	-	-	890	890	7 850	8 243	8 655
B KZN237 iNkosi Langalibalele	525	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	-	-	890	890	7 850	8 243	8 655
Total: uMzinyathi Municipalities	525	10 000	1 333	2 800	-	-	-	-	-
B KZN241 eNdumeni	-	10 000	-	-	-	-	-	-	-
B KZN242 Nquthu	525	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	1 333	2 800	-	-	-	-	-
Total: Amajuba Municipalities	2 625	-	-	-	889	889	7 850	8 243	8 655
B KZN252 Newcastle	1 050	-	-	-	889	889	7 850	8 243	8 655
B KZN253 eMadlangeni	1 575	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	2 100	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	525	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	1 575	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	3 675	-	4 000	3 192	12 675	12 675	-	-	-
B KZN271 uMhlabyalingana	1 575	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	1 575	-	4 000	3 192	12 675	12 675	-	-	-
B KZN276 Big Five Hlabisa	525	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	1 575	-	4 000	4 000	4 889	4 889	7 850	8 243	8 655
B KZN281 uMfolozi	-	-	4 000	4 000	4 000	4 000	-	-	-
B KZN282 uMhlatuze	-	-	-	-	889	889	7 850	8 243	8 655
B KZN284 uMlalazi	1 575	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	2 625	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	2 625	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	525	-	-	-	890	890	7 850	8 243	8 655
B KZN435 uMzimkhulu	-	-	-	-	890	890	7 850	8 243	8 655
B KZN436 Dr Nkosazana Dlamini Zuma	525	-	-	-	-	-	-	-	-
Unallocated	1 575	-	-	-	-	-	-	-	-
Total	18 900	20 000	10 474	35 839	46 080	46 080	31 400	32 972	34 620

Table 10.K : Transfers to local government - Maintenance grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	300	-	-	-	-	-
Total: Ugu Municipalities	450	150	600	600	600	600	174	-	-
B KZN212 uMdoni	-	-	-	-	-	-	58	-	-
B KZN213 uMzumbane	150	150	-	-	-	-	58	-	-
B KZN214 uMuziwabantu	150	-	-	-	-	-	58	-	-
B KZN216 Ray Nkonyeni	150	-	600	600	600	600	-	-	-
Total: uMgungundlovu Municipalities	300	150	300	300	450	450	150	-	-
B KZN221 uMshwathi	-	-	-	-	150	150	150	-	-
B KZN224 iMpindle	-	-	300	300	300	300	-	-	-
B KZN225 Msunduzi	150	-	-	-	-	-	-	-	-
B KZN227 Richmond	150	150	-	-	-	-	-	-	-
Total: uThukela Municipalities	150	-	-	-	150	150	150	-	-
B KZN237 iNkosi Langalibalele	150	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	-	-	150	150	150	-	-
Total: uMzinyathi Municipalities	150	-	167	167	167	167	116	-	-
B KZN241 eNdumeni	-	-	-	-	-	-	58	-	-
B KZN242 Nquthu	-	-	167	167	167	167	-	-	-
B KZN244 uMsinga	150	-	-	-	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	58	-	-
Total: Amajuba Municipalities	300	300	-	-	-	-	174	-	-
B KZN252 Newcastle	150	150	-	-	-	-	58	-	-
B KZN253 eMadiangeni	150	150	-	-	-	-	58	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	58	-	-
Total: Zululand Municipalities	750	150	167	167	167	167	178	-	-
B KZN261 eDumbe	150	150	-	-	-	-	89	-	-
B KZN262 uPhongolo	150	-	167	167	167	167	89	-	-
B KZN263 Abaqulusi	150	-	-	-	-	-	-	-	-
B KZN265 Nongoma	150	-	-	-	-	-	-	-	-
B KZN266 Ulundi	150	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	300	-	-	-	-	-	116	-	-
B KZN271 uMhlabyalingana	-	-	-	-	-	-	58	-	-
B KZN272 Jozini	150	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	58	-	-
B KZN276 Big Five Hlabisa	150	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	150	150	300	300	300	300	236	-	-
B KZN281 uMfolozi	-	-	-	-	-	-	89	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	58	-	-
B KZN284 uMlalazi	150	150	300	300	300	300	89	-	-
Total: iLembe Municipalities	150	150	166	166	166	166	232	-	-
B KZN291 Mandeni	150	150	-	-	-	-	58	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	58	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	58	-	-
B KZN294 Maphumulo	-	-	166	166	166	166	58	-	-
Total: Harry Gwala Municipalities	450	450	-	-	-	-	174	-	-
B KZN433 Greater Kokstad	150	150	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	58	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	58	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	300	300	-	-	-	-	58	-	-
Unallocated	150	150	-	-	-	-	-	-	-
Total	3 300	1 650	1 700	2 000	2 000	2 000	1 700	-	-

VOTE 11

Co-operative Governance and Traditional Affairs

Operational budget	R1 677 104 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R1 679 082 000
Responsible MEC	MEC for Co-operative Governance and Traditional Affairs
Administering department	Co-operative Governance and Traditional Affairs
Accounting officer	Head: Co-operative Governance and Traditional Affairs

1. Overview

Vision

The vision of the Department of Co-operative Governance and Traditional Affairs (COGTA) is: *People centred sustainable co-operative governance.*

Mission statement

The department's mission statement is: *"To co-ordinate and foster co-operation among governance institutions and build capacity to accelerate delivery of high quality services to communities".*

Strategic objectives

The department has five main *strategic policy directions*, namely five key priorities of government including the creation of sustainable livelihood, skills development, healthy communities, rural development, and the fight against corruption; KZN provincial government integrated programme of action; national outcome relating to a responsive, accountable, effective and efficient local government system; and the mandate ranging from the co-ordination of organs of state to ensure maximum impact of co-operative governance to clarifying the role of the private sector and of state-owned enterprises in the new dispensation. The strategic goals of the department are as follows:

- *Improved co-operative governance.* The strategic objective supporting this goal is:
 - Improved functionality of Inter-Governmental Relations (IGRs).
- *Strengthened governance.* The strategic objectives supporting this goal are:
 - Improved capacity of political and administrative governance (local government and traditional institutions).
 - Strengthened accountability of governance institutions (local government and traditional Institutions).
 - Improved decision making through citizen participation.
- *Increased economic opportunities.* The strategic objectives supporting this goal are:
 - Strengthened sectoral development.
 - Improved government led job creation programmes.
- *Strengthened delivery of basic services.* The strategic objective supporting this goal is:
 - Improved co-ordination of service delivery.
- *Well integrated spatial planning system.* The strategic objective supporting this goal is:
 - Improved spatial hierarchy of services.
- *Adaptation to climate change.* The strategic objectives supporting this goal are:

- o Increased adaptation to climate change impacts.
- o Improved disaster management.

Core functions

The mandate of the department is as follows:

- To co-ordinate all organs of state to ensure maximum impact.
- Interventionist approach.
- Improved internal and external co-operation and outcomes based IGR structures.
- Ensure single window of co-ordination and regulation of national, provincial and local government.

In essence, the department's mandate at the centre of integrated development has the following functions:

- Co-ordination, both vertically and horizontally, and doing away with the silo approach across the province.
- The key area of focus is planning. The department is repositioned as a critical ally of the Planning Commission to align planning across the three spheres of government, by strengthening Integrated Development Plans (IDPs).
- Ensuring the alignment of priorities of both national and provincial departments implemented in a local space in the municipal IDPs.
- Ensure that IDP encapsulates the provincial priorities and budget in a co-ordinated manner.
- Enhance the IGR framework support integration (IGR framework to be reviewed and strengthened).
- Ensure seamless service delivery in a co-ordinated manner supported by emerging legislated processes.
- Put development planning at the centre stage.
- Put people at the centre of development.

The department will continue to support and ensure that there is alignment between the national, provincial, and local government priorities. Working together with different stakeholders in the province and countrywide, the department is committed to contributing toward realisation and achievement of government's priorities as spelt out in the Medium Term Strategic Framework (MTSF).

Legislative mandate

The legislative mandate of COGTA is presented below.

Constitutional mandate

The mandates of COGTA are embodied in the following sections of the Constitution, 1996:

- Section 139 provides for provincial intervention in local government. This intervention in municipalities includes the issuing of directives and managing interventions by the Provincial Executive Council, in accordance with the provisions of Section 139(1) (a), (b) and (c).
- Section 154 determines that provincial governments must provide support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions in accordance with the provisions of Section 154(1) and (2).
- Section 155(5) and (6) determines the types of municipalities in KZN, and establishes municipalities in KZN, whereafter the municipalities, by legislative and other measures, must be monitored and supported, in addition to which the department must promote the development of local government capacity, to enable municipalities to perform their functions and manage their own affairs.
- Section 155(7) stipulates that provincial governments have legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in Section 156(1).

Specific legislation for the department

- Disaster Management Act (Act No. 57 of 2002)
- Employment Equity Act (Act No. 55 of 1998)
- Fire Brigade Services Act (Act No. 99 of 1987)
- Infrastructure Development Act (Act No. 23 of 2014)
- KwaZulu-Natal Planning and Development Act (Act No. 6 of 2008)
- KwaZulu-Natal Pounds Act (Act No. 3 of 2006)
- KwaZulu-Natal Cemeteries and Crematoria Act (Act No. 32 of 2000)
- KwaZulu-Natal Determination of Types of Municipalities Act (Act No. 7 of 2000)
- KwaZulu-Natal Traditional Leadership and Governance Act (Act No. 5 of 2005)
- Labour Relations Act (Act No. 66 of 1995)
- Local Government Demarcation Act (Act No. 6 of 2004)
- Local Government Municipal Electoral Act (Act No. 27 of 2000)
- Municipal Finance Management Act (Act No. 53 of 2003)
- Municipal Fiscal Powers and Functions Act (Act No. 12 of 2007)
- Municipal Property Rates Act (Act No. 6 of 2004)
- Municipal Systems Act (Act No. 32 of 2000)
- Municipal Structures Act (Act No. 117 of 1998)
- Public Service Act (Proclamation No. 103 of 1994)
- Remuneration of Public Office Bearers Act (Act No. 20 of 1998)
- Spatial Planning and Land Use Management Act (Act No. 16 of 2013)
- Traditional Leadership and Governance Framework Act (Act No. 41 of 2003)

General legislation for departments dealing with local government and traditional affairs

- Annual Division of Revenue Act (DORA)
- KZN Provincial Supply Chain Management (SCM) Policy Framework (2006)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Regulations

Specific legislation applicable to municipalities

In addition to the above, there are particular pieces of legislation which apply specifically to municipalities and relate to the department's oversight, co-operation, co-ordination and alignment functions:

- Communal Land Rights Act (Act No. 11 of 2004)
- Development Facilitation Act (Act No. 67 of 1995)
- Water Services Act (Act No. 108 of 1997)

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Local governance

The department provided effective support to local government institutions to strengthen governance, promote sound financial management, enhance public participation and improve capacity of municipalities to accelerate service delivery, as follows:

- IGR structures were provided with various support to ensure that they functioned efficiently. Projects of high priority were identified and resolutions taken by these structures were monitored. This was to ensure that support was provided with respect to the implementation of these projects and resolutions. The partnership with the South African Local Government Association (SALGA) continued.
- The department monitored the functionality of oversight structures, such as the Municipal Public Accounts Committee (MPAC), within the province and provided support to those structures that were found not to be fully compliant. The support consisted of workshops and MPAC training in collaboration with SALGA.
- The functionality of Municipal Rapid Response (MRR) teams is essential, as they are a platform where issues within a community can be raised and responded to. The department monitored the functionality of MRR teams, and also provided support through its Public Participation Project Steering Committee meetings.
- The department monitored municipal audit committees to measure their level of functionality. Support was provided to the audit committees in order to improve their functionality. This support involved the hosting of Internal Audit and Risk Management forums.
- The department monitored the compliance of municipalities with various local government legislation such as the Municipal Systems Act, and policies in order to strengthen institutional capacity within the various municipalities. Municipalities that experienced challenges were provided with support through the capacitation of senior management and by addressing numerous gaps which were identified.
- The assessment of all municipal budget allocations, including their infrastructure budget, was undertaken. Certain municipalities were supported through the establishment of Revenue and Debt Steering committees, which were tasked to address revenue and debt management issues identified during the assessment of all municipalities. Provincial Co-ordinating Forums on government debt were convened quarterly, as part of this support.
- An audit outcome strategy was developed and implemented to provide support to municipalities with the aim of assisting them to attain a clean audit status.
- Municipalities were supported with the review of their anti-fraud and anti-corruption strategies. The department investigated all reported fraud, corruption and maladministration cases, including cases from the National Anti-Corruption Hotline (NACH). Furthermore, municipalities were assessed on the credibility of their fraud risk registers, and they were provided with support in order for their registers to be strengthened.

Development and planning

Accelerated sustainable development can be achieved through effective integrated planning, Local Economic Development (LED) and implementation of schemes and provision of basic services. As such, the department achieved the following:

- All climate related incidents data and municipal schemes were mapped, to enhance the province's response to climate change.
- Job opportunities were created through the Community Works Programme (CWP), Expanded Public Works Programme (EPWP), as well as the Food for Waste and Community Service Centre (CSC) programmes.
- The Small Town Rehabilitation and Corridor Development programmes continued to be rolled out as a means to improve economic opportunities.
- The department ensured that co-ordination structures for infrastructure development and service delivery were functional for the purpose of ensuring that all projects were efficiently implemented. These structures include the Energy Task Team, Water Task Team, Provincial Infrastructure Forum, Electricity Infrastructure Forum and Planning Forum.
- Municipalities were provided with support on project scoping, DORA compliance, expenditure, business planning, increasing yard water connections, a provision of basic level of sanitation services,

increasing households with a source of electrical supply, implementation of indigent policies and the implementation of operational and maintenance plans.

- Drought interventions were implemented in municipalities to try and reduce the impact of the drought. Furthermore, all districts were provided with support to ensure that they had functional Disaster Management Centres that could respond timeously to disaster events within the province. Winter and summer contingency plans were also developed and implemented.

Traditional institutional management

Good governance is critical for traditional institutions to provide effective support to communities. As a result, the department:

- Recognised and installed 11 *Amakhosi* as at October 2017.
- All disputes reported were resolved and the *Izizwe* (tribes) family trees were updated.
- Monitored all municipalities for the active participation of *Amakhosi* within municipalities. Support was also provided to *Amakhosi* and municipalities as and when required.
- Conducted a head count exercise in all districts in order to verify *Izinduna* for remuneration in line with the Presidential proclamation, in which 3 150 *Izinduna* were verified.
- Provided Traditional Councils (TC) with support for various development initiatives. The support included conducting feasibility studies and the development of business plans.
- Ensured that the Provincial and Local Houses were re-constituted during the financial year.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

In 2018/19, the department will continue to co-ordinate support, promote good governance and enhance financial management in municipalities, as well as provide support and build capacity within traditional institutions. The department will also continue to support the installation and recognition of *Amakhosi*.

Local governance

The department will continue to co-ordinate support, promote good governance and enhance financial management in municipalities. The main focus for 2018/19 will be on:

- The co-ordination of departmental and SALGA support to municipalities, through local government specialists in order to address challenges that hamper service delivery.
- Facilitating and co-ordinating, information and decisions across the different spheres of government through appropriate IGR structures, supporting municipalities with functional district IGR structures and systems, including the participation of traditional leaders.
- Supporting municipalities in the development of implementable IDPs through capacity building sessions, workshops, IDP forums and IDP assessments.
- Supporting districts to maintain planning capacity in the form of district Development Planning Shared Services.
- Assisting municipalities to develop and implement the core components of the Performance Management System (PMS) to manage institutional performance.
- The implementation of Back to Basics action plans and monitoring the performance of municipalities.
- Supporting municipalities with functional municipal oversight processes in respect of Committees reporting to EXCO, EXCO reporting to Council (in terms of Section 44 of the MSA) and other Section 79 Committees to Council.
- Regular monitoring and reporting on the extent to which municipalities implemented anti-corruption measures toward promoting good governance.

- Supporting municipalities through revenue and debt steering committees to resolve outstanding government debt.
- Implementing an audit outcome strategy to support municipalities to improve their audit status.
- Providing support to municipalities to ensure that they have functional audit committees.
- Supporting municipalities with maintaining functional ward committees and the implementation of intervention plans for non-functional ward committees.
- Supporting municipalities with the implementation of ward operational plans.
- Monitoring the functionality of MRR teams in line with the MRR teams' functionality tool, and implementing remedial actions where there are non-functional teams.

Development and planning

The NDP stipulates that, for the country to support its long term economic objectives and development goals, South Africa needs to focus on investing in basic services, such as electricity, water, sanitation, telecommunications and public transport. The main focus of this programme for 2018/19 will be on:

- Providing support to municipalities to align SDFs with SPLUMA provisions.
- To facilitate the preparation and to monitor the implementation of the Land Use Management System by municipalities. The support to be provided includes developing a single Land Use Scheme, and compiling the terms of reference for the development of the scheme, as well as documenting the required financial support.
- Developing traditional master settlement plans in consultation with *Amakhosi* to achieve structured planning within rural areas.
- Supporting municipalities with the development of nodal plans for new towns, and to accommodate growth in small town nodes.
- Providing support for the development of specific corridor plans to identify projects which can be seen as catalysts for implementation purposes.
- Mapping data relating to climate change incidents and municipal schemes, to enhance the province's response to climate change.
- Monitoring municipalities on the development of administration processes and procedures, which will enable them to timeously process applications as stipulated in applicable legislation.
- Providing support to District Development Agencies, which will enable them to drive LED.
- Guiding municipalities with the development and reviewing of their LED strategies, focusing on high impact and sustainable programmes aligned to the national LED framework.
- Providing support to municipalities with regard to implementing red tape reduction programmes.
- Creating job opportunities through the CWP, EPWP and CSC programmes to improve job creation.
- Monitoring the implementation of service delivery programmes relating to electricity, water and sanitation, indigent policies, as well as operation and maintenance plans.
- Supporting and maintaining functional Disaster Management Centres, and providing assistance to districts, the Metro and sector departments with disaster risk management planning.

Traditional institutional management

Traditional institutional governance remains central in supporting and building the capacity of traditional institutions. The main focus of this programme for 2018/19 will be on:

- The installation and recognition of *Amakhosi* to enhance traditional institutional governance.
- Ensuring that the Traditional Council elections taking place are transparent and efficient.
- Resolving emerging disputes and profiling *Izizwe* (tribes) on customary law as a way of promoting a cultural and customary way of life.
- Supporting the Houses of Traditional Leaders and TCs to ensure that they are functioning efficiently.

4. Reprioritisation

The department's budget was reduced over the 2017/18 MTEF as a result of a data update to the provincial equitable share (PES) formula, a declining provincial own revenue, as well as general budget cuts implemented by National Treasury in order to lower the expenditure ceiling across the country. The department had to undertake further extensive reprioritisation over the 2018/19 MTEF to fund ongoing spending pressures such as the remuneration of *Izinduna*, due to the eight per cent salary increase as per the latest proclamation for *Izinduna*.

The reprioritisation undertaken was effected against all programmes, and resulted in projects under the Corridor Development, Massification and the Small Town Rehabilitation programmes being scaled down.

5. Procurement

A review of the manual SCM processes was completed and the department implemented an electronic requisition and ordering system, which commenced on 1 February 2017. The integration of the changes to the SCM environment as per the instruction notes and communication by the Office of the Chief Procurement Officer are being attended to. These include the use of the centralised database of suppliers, the implementation of the standard on infrastructure procurement and the encouraged participation in transversal contracts.

6. Receipts and financing

6.1 Summary of receipts

Table 11.1 indicates the sources of funding for Vote 11 for the period 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments.

The department receives a provincial allocation in the form of an equitable share, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces.

Table 11.1 shows that there is generally steady growth in the department's budget.

Table 11.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	1 457 802	1 361 524	1 542 256	1 581 888	1 583 388	1 583 388	1 674 530	1 777 022	1 891 067
Conditional grants	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-
EPWP Integrated Grant for Provinces	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-
Total receipts	1 461 273	1 365 643	1 545 923	1 585 226	1 586 726	1 586 726	1 679 082	1 777 022	1 891 067
Total payments	1 482 587	1 518 088	1 603 365	1 585 226	1 626 726	1 667 463	1 679 082	1 777 022	1 891 067
Surplus/(Deficit) before financing	(21 314)	(152 445)	(57 442)	-	(40 000)	(80 737)	-	-	-
Financing									
of which									
Provincial roll-overs	3 472	-	27 637	-	-	-	-	-	-
Provincial cash resources	40 650	215 520	42 508	-	40 000	40 000	-	-	-
Surplus/(Deficit) after financing	22 808	63 075	12 703	-	-	(40 737)	-	-	-

In 2014/15, the department was allocated funds relating to the EPWP Integrated Grant for Provinces for the first time. Also in 2014/15, the department received a roll-over of R3.472 million from 2013/14 for the completion of the Provincial Disaster Management Centre (PDMC). In addition, the department was allocated additional funds in respect of the Mandela Day Marathon event, the implementation of electrification projects in various municipalities and the development of rural areas.

The amount in 2014/15 against provincial cash resources includes additional funds for the construction and rehabilitation of various CSCs, and the re-allocation of funds to be transferred to the public entity Agri-business Development Agency (ADA) for the implementation of the uThukela *Amakhosi* programme and the Msinga Asisukume Co-operative.

The 2014/15 budget was under-spent by R22.808 million, and mainly relates to a project implemented by COEGA (R19.561 million) for the purchase and installation of solar panels and generators. In 2014/15, the department purchased generators and solar panels for 20 Traditional Administration Centres (TACs). As these generators were not installed at the end of 2014/15, the Auditor-General instructed the department to reflect it as under-expenditure. The balance of the under-expenditure of R3.247 million was due to delays in the purchase of park homes for office accommodation in Ixopo for the Traditional Affairs unit. In addition, delays with the construction of *Imizi Yezizwe* contributed to the under-expenditure.

In 2015/16, the department was allocated funds relating to the decentralisation of the external bursaries budget that were previously centralised under OTP. The carry-through (R2.400 million) of the uMsekeli Municipal Support Services pensioners' medical aid obligation continued in 2015/16. However, the funding is added to the equitable share allocation in 2016/17 and, hence, it does not appear against provincial cash resources from 2016/17 onward. Also in 2015/16, the department was allocated once-off provincial cash resources in respect of various projects such as:

- Electrification projects in various municipalities.
- Water provision for the uMkhanyakude District Municipality.
- Various campaigns (voter education, demarcation roadshows and voter registration) in respect of the 2016 local government elections.
- Payment of stipends to additional 954 *Izinduna*, among others.

The department substantially under-spent their budget at the end of 2015/16 by R63.075 million. This was as a result of slow spending in respect of the 2016 local government elections as the date was announced late, the non-filling of vacant posts, as well as delays with the completion of the PDMC. The department requested a roll-over from 2015/16 to 2016/17 in this regard.

In 2016/17, the department was allocated additional funds for the carry-through costs of the above-budget 2015 wage agreement and an additional R150 million for drought relief interventions. The department's budget was reduced as a result of the data update of the equitable share formula, a declining provincial own revenue, as well as cuts implemented by National Treasury in order to lower the expenditure ceiling across the country.

Once-off additional funds of R70.145 million were allocated in 2016/17 mainly in respect of:

- R27.637 million was rolled over from 2015/16 to 2016/17 for the 2016 local government elections, the completion of the PDMC at Mkondeni, as well as the Mandela Day Marathon event.
- R2.053 million was allocated for the above-budget 2016 wage adjustment from the provincial fiscus, (without carry-through).
- R1.500 million was allocated to be transferred to the uMgungundlovu District Municipality for the Mandela Day Marathon event.
- R38.955 million was allocated for the remuneration of *Izinduna*.

The department under-spent their budget at the end of 2016/17 by R12.703 million, mainly due to:

- Delays with the commencement of construction projects, such as the Memela and the Vukani CSCs, due to the volume of bids received being far greater than anticipated (over 340 for 21 projects).
- Lower than budgeted payment in respect of the remuneration of *Izinduna* due to the verification (physical head count) not being finalised before year-end, among others.

In 2017/18, the department was allocated additional funds amounting to R126.164 million in 2017/18, R133.103 million in 2018/19 and R140.424 million in 2019/20 for the remuneration of *Izinduna*, which is reflected under the equitable share allocation.

In the 2017/18 Adjusted Appropriation, the department received R1.500 million that formed part of equitable share which was suspended from Vote 6: Provincial Treasury towards the Mandela Day

Marathon event, reflected against the equitable share. In addition, the department received R40 million from provincial cash resources to assist with the costs relating to the Traditional Council elections.

The department is projecting to over-spend its budget at the end of 2017/18 by R40.737 million, due to the increased number of *Izinduna* to 3 150, and the eight per cent salary increase as per the latest proclamation for *Izinduna*.

6.2 Departmental receipts collection

Table 11.2 reflects departmental receipts for the period 2014/15 to 2020/21.

Details of these receipts are presented in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	1 663	1 512	1 788	1 733	1 733	1 675	1 852	1 974	2 012
Transfers received	-	1 125	3	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	32	43	52	48	48	63	51	54	58
Sale of capital assets	2 643	2 267	2 327	1 600	1 600	1 600	1 800	1 900	2 023
Transactions in financial assets and liabilities	19 133	8 763	596	1 037	1 037	1 450	1 109	1 182	1 288
Total	23 471	13 710	4 766	4 418	4 418	4 788	4 812	5 110	5 381

The department collects revenue against *Sale of goods and services other than capital assets*, which comprises commission received from monthly PERSAL deductions, such as insurance and garnishees, the sale of maps and publications, parking fees and rental from officials occupying state houses. The 2017/18 Revised Estimate reflects an under-collection, which is expected from the reduced sale of tender documents and rentals on departmental houses occupied by officials. A steady increase is anticipated over the 2018/19 MTEF due to inflationary increments.

Transfers received reflects amounts of R1.125 million in 2015/16 and R3 000 in 2016/17, being donations received from various companies in respect of the Woman in Leadership Dialogue.

Interest, dividends and rent on land relates to interest received on staff debts. The increasing trend reflected over the MTEF is due to inflationary increments.

Sale of capital assets relates to the sale of redundant assets such as motor vehicles and old office equipment. There are many factors influencing the performance of this category, and it is thus difficult to accurately budget for and, as a result, the 2018/19 MTEF budget reflects conservative growth.

Transactions in financial assets and liabilities includes the recovery of staff debts and refunds received relating to previous years' expenditure. Revenue collected in 2014/15 was largely a result of funds being recalled from the uMgungundlovu District Municipality due to challenges faced by the municipality with the implementation of the Material Recovery and Composting facility project. The department is expecting to over-collect against this category, as shown in the 2017/18 Revised Estimate, mainly due to the recovery of previous years' expenditure. A steady increase in revenue collection is expected over the 2018/19 MTEF.

6.3 Donor and agency funding

Table 11.3 reflects payments with respect to donor and agency funding for the period 2014/15 to 2020/21.

Table 11.3 : Details of donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Donor funding	1 353	763	-	-	-	-	-	-	-
Dept. of Prov. and Local Govt	1 353	763	-	-	-	-	-	-	-
Agency receipt	-	990	-	-	-	-	-	-	-
LGSETA	-	990	-	-	-	-	-	-	-
Total	1 353	1 753	-	-	-	-	-	-	-

The amount against the Department of Provincial and Local Government (DPLG) was originally received in 2004 for various projects (such as audits, municipal infrastructure, etc.) within municipalities. As the projects were completed, the balance of R2.491 million remained, and a decision was taken at the end of 2012/13 to consolidate all the balances into one account and to use the funding for councillors' training in municipalities. These funds were thus spent by the department in 2014/15 and 2015/16.

The department also received and spent agency receipts of R990 000 from the Local Government Sector Education and Training Authority (LGSETA) for fire-fighting training, in respect of the fire and rescue operational learnership and the disaster risk management skill programme.

In addition, the department received donations in kind including fire engineering magazines, fire instructional books, traffic safety cones, hoses, oxygen carrying bags, among others, from the USA for its fire-fighting services. These were received in kind and are thus not included in Table 11.3.

The department is not anticipating any receipts over the 2018/19 MTEF.

7. Payment summary

Section 7 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in Section 8, as well as *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- In terms of the National Treasury's guidelines, the cost of living adjustment is 8 per cent in 2018/19, 7.8 per cent in 2019/20 and 8 per cent in 2020/21, including the 1.5 per cent pay progression. However, the department provided for a growth in *Compensation of employees* of 17 per cent in 2018/19, 15 per cent in 2019/20 and 12 per cent in 2020/21, which is far above the National Treasury guidelines. The substantial growth over the MTEF is due to the fact that the department anticipates to fill 230 critical vacant posts. As a result of lengthy recruitment processes, though, the department will not necessarily be able to fill all 230 critical posts in a year, hence has budgeted to fill 189 in 2018/19, 21 in 2019/20 and 20 in 2020/21, and this accounts for the growth.
- The consumer price index, as published in the 2017 MTBPS of 5.4 per cent in 2018/19, 5.6 per cent in 2019/20 and 5.5 per cent in 2020/21, was adhered to.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2016/17, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 11.4 shows additional funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 11.4 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	105 336	(47 314)	(49 799)	(52 498)	(55 385)
Above-budget 2015 wage agreement	15 718	16 842	18 103	19 117	20 168
Drought relief interventions - boreholes, mobile packaged plants, water tankers, etc	150 000	-	-	-	-
Freezing all vacant non-OSD posts	(48 650)	(51 959)	(55 492)	(58 510)	(61 728)
2% Goods and services cut	(11 732)	(12 197)	(12 410)	(13 105)	(13 826)
2017/18 MTEF period		120 436	126 555	143 944	151 861
PES and Provincial Own Revenue reductions		(5 728)	(6 548)	(11 614)	(12 253)
Additional funds moved from all other Votes for the remuneration of <i>Izinduna</i>		126 164	133 103	140 424	148 147
Additional funding from National Treasury		-	-	15 134	15 966
2018/19 MTEF period			1 500	-	16 309
Suspension of Mandela Day Marathon from Vote 6			1 500	-	-
Above-budget wage agreement			-	-	16 309
Total	105 336	73 122	78 256	91 446	112 785

In the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as budget cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF. These cuts were offset slightly by additional funds allocated over the 2016/17 MTEF for the carry-through costs of the above-budget 2015 wage agreement. In addition, the department received a once-off allocation of R150 million in 2016/17 in respect of drought relief interventions.

With regard to the 2017/18 MTEF, there were budget cuts resulting from the PES and Provincial Own Revenue reductions of R5.728 million, R6.548 million, and R11.614 million, with carry-through.

In addition, the department received substantial additional funds for the remuneration of *Izinduna*, as well as additional funding from National Treasury in 2019/20, with carry-through. This amount was proportionately allocated to all 15 Votes to ensure that the budget cuts implemented in the 2017/18 MTEF are offset in the outer years.

Over the 2018/19 MTEF, the department received R1.500 million in 2018/19 only, which was suspended from Vote 6: Provincial Treasury toward the Mandela Day Marathon event, in line with a commitment made by the MEC for Finance at a Major Events sub-committee meeting in August 2016. An additional R16.309 million was allocated by National Treasury for the above-budget wage agreement in 2020/21.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R7.615 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

The services rendered by the department are categorised under four programmes, which are aligned to the uniform budget and programme structure of the Co-operative Governance and Traditional Affairs sector. Tables 11.5 and 11.6 provide a summary of the Vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 11.5 : Summary of payments and estimates by programme: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	331 891	382 559	380 420	393 839	395 940	387 053	454 952	424 687	445 651
2. Local Governance	217 377	228 491	254 130	291 385	262 112	248 039	300 739	345 651	390 826
3. Development and Planning	699 251	641 708	637 148	338 735	377 427	377 237	350 598	410 614	413 069
4. Traditional Institutional Management	234 068	265 330	331 667	561 267	591 247	655 134	572 793	596 070	641 521
Total	1 482 587	1 518 088	1 603 365	1 585 226	1 626 726	1 667 463	1 679 082	1 777 022	1 891 067

Table 11.6 : Summary payments and estimates by economic classification: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	910 219	995 720	1 231 104	1 519 975	1 518 417	1 558 314	1 557 515	1 670 168	1 803 380
Compensation of employees	557 676	607 298	630 145	1 086 644	665 031	653 994	766 189	884 325	989 088
Goods and services	352 543	388 422	600 959	433 331	853 386	904 320	791 326	785 843	814 292
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	504 959	453 017	233 930	34 214	41 102	48 532	29 231	61 089	32 724
Provinces and municipalities	353 291	273 134	161 956	21 115	28 959	34 957	14 147	45 825	17 204
Departmental agencies and accounts	20 231	6 150	14 550	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	33 254	45 100	10 100	-	-	-	-	-	-
Non-profit institutions	83 121	114 811	32 651	-	-	-	-	-	-
Households	15 062	13 822	14 673	13 099	12 143	13 575	15 084	15 264	15 520
Payments for capital assets	67 364	69 351	138 331	31 037	67 207	60 617	92 336	45 765	54 963
Buildings and other fixed structures	41 689	43 086	110 922	20 674	42 144	42 144	43 054	31 672	38 794
Machinery and equipment	24 244	25 847	26 728	10 213	24 818	18 223	49 035	13 909	15 959
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 431	418	681	150	245	250	247	184	210
Payments for financial assets	45	-	-	-	-	-	-	-	-
Total	1 482 587	1 518 088	1 603 365	1 585 226	1 626 726	1 667 463	1 679 082	1 777 022	1 891 067

Programme 1 reflects steady growth, which relates to the improvement of the department's ICT systems, and the maintenance and upgrading of various departmental buildings. The decrease in the 2017/18 Revised Estimate is due to the fact that renovation projects concerning office accommodation had to be placed on hold, in order to reprioritise funds towards the payment of *Izinduna*, as a result of an 8 per cent increase in their stipends and increased numbers. The decline in 2019/20 stems from the projected completion of once-off ICT projects in 2018/19, such as improved security solutions, mimecast archiving solutions, and the maintenance of servers, among others.

Programme 2 caters for the training of municipal councillors, community outreach programmes, and inflationary increments, among others. The decrease in the 2017/18 Revised Estimate results from delays in filling vacant posts, as well as halting projects such as the Revenue and Debt Management project to re-direct funds toward the payment of *Izinduna* due to the increase in numbers and the proclaimed 8 per cent salary increase. The increase over the 2018/19 MTEF against *Goods and services* is as a result of the reprioritisation from Programme 1 relating to service delivery events.

With regard to Programme 3, the implementation of various electrification projects and the development of rural areas account for the spending in 2014/15. The high amounts from 2014/15 to 2016/17 relate to various projects in respect of the Small Town Rehabilitation, Massification and Corridor Development programmes. These projects were reduced in 2017/18 and over the MTEF due to reprioritisation to fund the stipends of *Izinduna*. In 2016/17, the department received a once-off allocation of R150 million which was specifically for drought relief. This category houses the budget for the EPWP Integrated Grant for Provinces, which is used for the Food for Waste programme. This grant is allocated annually and is based on the previous year's performance. There is R4.552 million allocated to this grant in 2018/19, with no further allocations in the outer years of the MTEF, at this stage. The 2018/19 MTEF allocations make provision for the Small Town Rehabilitation programme, the maintenance, refurbishment, rehabilitation and construction of CSCs, the construction of *Imizi Yezizwe*, as well as inflationary growth.

Programme 4 caters for the recognition and installation of *Amakhosi*, capacity building programmes for *Amakhosi* and the remuneration of *Izinduna*, etc. The substantial growth from 2016/17 onward is mainly to cater for the remuneration of *Izinduna*. It should be noted that, in the 2017/18 Adjusted Appropriation, the department shifted the budget for payment of *Izinduna* stipends from *Compensation of employees* to *Goods and services*, and the prior years, as well as the MTEF figures were restated. The 2017/18 Revised Estimate increased substantially to reflect the payment of *Izinduna* in terms of the increase in stipends as published in the Government Gazette, backdated to April 2017. From 2018/19 onward, *Izinduna* will continue to be paid from *Goods and services*. It should be noted that no provision has been made for the payment of medical aid and tools of trade for *Izinduna* over the MTEF, due to funding pressures.

Compensation of employees reflects substantial growth with the exception of the 2017/18 Revised Estimate where the funding for the payment of *Izinduna* was re-allocated to *Goods and services*. Growth prior to 2017/18 is mainly in respect of above-budget wage agreements, the filling of vacant posts, as well as the appointment of CDWs. The decrease in the 2017/18 Revised Estimate was also due to slower than anticipated filling of vacant posts. These funds were moved to other categories to cater for spending pressures. This category shows substantial growth over the MTEF, and more specifically in 2020/21, as a result of additional funding for the above-budget wage agreement. The department made provision for the filling of 230 critical vacant posts over the MTEF as follows: 189 in 2018/19, 21 in 2019/20 and 20 in 2020/21. Inflationary increments also contributed to the growth over the MTEF. The department is currently in discussions with DPSA, in respect of the proposed re-structuring of Programme 1. The organogram for Programmes 2, 3 and 4 has been approved by the DPSA and currently the department is engaging National Treasury regarding the alignment of the budget structure to the amended organogram.

Goods and services reflects a steady growth from 2014/15 to 2015/16. The once-off allocation for the drought relief interventions explains the substantial growth in 2016/17. Also contributing to the growth was the roll-over for the 2016 local government elections, and the reprioritisation for the improvement of the department's ICT systems. The substantial increase from 2016/17 to the 2017/18 Adjusted Appropriation and Revised Estimate is as a result of the shifting of funds for the remuneration of *Izinduna*, as well as the increase in their stipends by 8 per cent as published in the Government Gazette, backdated to April 2017. The increases over the 2018/19 MTEF are once again due to the classification of *Izinduna* salaries under this category, as previously discussed. Over the MTEF, provision has been made for an 8 per cent increment for the remuneration of *Amakhosi*, and a 10 per cent increment for the remuneration of *Izinduna*, with these rates having been estimated by the department.

Transfers and subsidies to: Provinces and municipalities fluctuates over the period, and is mainly attributed to the spending patterns of municipalities. The substantial decrease from 2016/17 onward is due to the extensive reprioritisation of funds for the remuneration of *Izinduna*. The increase in the 2017/18 Revised Estimate is as a result of the transfer of funds to Kokstad Municipality for fire fighting vehicles and a compactor, approval for this increase in transfers was given by Provincial Treasury. The increase in 2019/20 is due to the allocation for Small Town Rehabilitation projects which include the following:

- Upgrading of CBDs in pursuit of improving the public realm and attractiveness of small towns.
- Facilitating the attraction of new businesses as key mechanisms that support the functionality of small towns as economic centres to the rural hinterland with the creation of new job prospects.
- Improving access to government services and information, thereby unlocking economic opportunities.
- Reduce the impact of urbanisation by ensuring that rural landscapes offer social and economic opportunities for residents.

Transfers and subsidies to: Departmental agencies and accounts includes the Public Service Sector Education and Training Authority (PSETA) levies, which ceased at the end of 2015/16. The bulk of the 2014/15 amount relates to once-off funding transferred to ADA for the implementation of the uThukela *Amakhosi* programme and the Msinga Asisukume Co-operative. Further funding was allocated in 2015/16 for the implementation of the *Amakhosi* Rural Economic Development programme. Also, an additional once-off transfer was made to ADA in 2016/17 for the Okhahlamba community vineyard, Empangisweni community citrus fruit and vegetable production, and the Chiliza piggery projects. The department is not anticipating any further transfers to the entity in 2017/18 and over the MTEF, at this stage.

With regard to *Transfers and subsidies to: Public corporations and private enterprises*, the once-off amounts in 2014/15 and 2015/16 relate to the transfer to the uMhlathuze Water Board for expenditure relating to the 2014 general elections, which entailed the provision of infrastructure, such as sanitation and water in voting stations, and the provision of portable water delivery services to district municipalities, respectively. The amount in 2015/16 was a once-off allocation for water provision for the uMkhanyakude District Municipality, as explained previously. The 2016/17 expenditure included a donation to the South African Council of Planners (SACPLAN) toward financing the 2016 International Society of City and Regional Planners (ISOCARP) conference, as well as R8.100 million to the uMhlathuze Water Board for the implementation of the KwaSani Bucket Eradication project.

Transfers and subsidies to: Non-profit institutions from 2014/15 to 2016/17 relates to expenditure for the traditional levies and trust account that was moved from the various economic categories within Programme 4. Amounts for 2017/18 and over the MTEF cannot be determined at this stage and have, therefore, not been moved to this category as yet. Also, the once-off amount of R11.536 million in 2015/16 relates to expenditure from 2014/15 in respect of COEGA for the purchase and installation of solar panels and generators. The decrease in 2016/17 is due to the reclassification of specific items in line with audit findings, such as cultural events and installation of *Amakhosi*, to name a few.

Transfers and subsidies to: Households fluctuates over the period due to the payment of voluntary severance packages, staff exit costs, which are not predictable, as well as bursaries to students. The MTEF provides for external bursaries and staff exit costs, as well as inflationary increments.

Buildings and other fixed structures relates to the construction and rehabilitation of TSCs, TACs and *Imizi Yezizwe*. The high expenditure in 2016/17 is mainly in respect of drought relief interventions which included the drilling of boreholes and the provision of potable water. This was once-off drought relief funding, hence there is no carry-through from 2017/18 onward, which explains the decreasing trend from 2017/18 onward. The MTEF provides for the construction and rehabilitation of CSCs and *Imizi Yezizwe*.

Machinery and equipment fluctuates due to the filling of vacant posts and the related costs of the purchase and replacement of office furniture, computer equipment and vehicles. The increase in 2018/19 results from provision made for the purchase of servers for the department.

The amounts against *Software and other intangible assets* relate to the purchase of the Pastel Evolution software for the traditional levies and trust account in TCs. The increase in the 2017/18 Adjusted Appropriation and Revised Estimate includes the purchase of software for two visually impaired interns employed in the department. The MTEF provides for the maintenance and upgrade of existing software.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

7.4 Summary of conditional grant payments and estimates

Table 11.7 provides a summary of the conditional grant payments and budgeted estimates over the seven-year period, by grant name. Detailed information on the conditional grant is given in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.7 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
EPWP Integrated Grant for Provinces	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-
Total	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-

The department receives the EPWP Integrated Grant for Provinces and the entire amount is allocated to *Goods and services* and is utilised for the creation of EPWP job opportunities through the Food for Waste programme, which involves the most needy community members, who collect domestic waste from households and in public areas, and are compensated, accordingly. The decrease in the grant allocation in 2016/17 and 2017/18 in comparison to 2015/16 can be ascribed to National Treasury's fiscal consolidation budget cuts. In 2018/19, the department receives R4.552 million which will be used for the same purpose.

7.5 Summary of infrastructure payments and estimates

Table 11.8 summarises the infrastructure expenditure and estimates relating to the department. Further details of the department's infrastructure payments and estimates are presented in the *2018/19 Estimates of Capital Expenditure*. The infrastructure expenditure and budget reflect a fluctuating trend over the period.

For the first time, the department made provision over the 2018/19 MTEF for the *Maintenance and repair: Current* budget in respect of infrastructure that was constructed previously. This maintenance allocation is toward an asset base worth R298 million including *Imizi Yezizwe*, CSC and TC buildings. Although the funding is not sufficient, it is a step towards a more pro-active approach than the

rehabilitation work that costs the department more once buildings have not been maintained and become inhabitable. No provision was made for this expenditure previously due to budget constraints. Following recommendations made by the Infrastructure Unit at Provincial Treasury, the department has since made provision for *Maintenance and repair: Current* over the MTEF.

Table 11.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	4 683	16 202	12 855	10 674	23 558	23 558	15 450	15 450	15 450
Maintenance and repair: Current	-	-	-	-	-	-	7 000	7 000	7 000
Upgrades and additions: Capital	18	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	4 665	16 202	12 855	10 674	23 558	23 558	8 450	8 450	8 450
New infrastructure assets: Capital	37 006	26 884	98 067	10 000	18 586	18 586	27 604	16 222	23 344
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	41 689	43 086	110 922	20 674	42 144	42 144	43 054	31 672	38 794
Capital infrastructure	41 689	43 086	110 922	20 674	42 144	42 144	36 054	24 672	31 794
Current infrastructure	-	-	-	-	-	-	7 000	7 000	7 000

1. Non infrastructure is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

The once-off amount of R18 000 in 2014/15 against *Upgrades and additions: Capital* relates to a payment to the IDT for an outstanding management fee.

Refurbishment and rehabilitation: Capital reflects the refurbishment and renovation of existing TACs, TSCs and CSCs. The fluctuations can be attributed to slow progress in renovating various CSCs. The 2017/18 Revised Estimate increase is due to the payment of 2016/17 commitments. The 2018/19 MTEF shows a reduction due to reprioritisation to *Maintenance and repair: Current*, as mentioned above.

New infrastructure assets: Capital reflects the provision for the construction of TACs, TSCs, CSCs and *Imizi Yezizwe*. The category fluctuates due to the nature of the construction activities. The construction over the years include the construction of the PDMC at Mkondeni. The significant increase in 2016/17 is due to once-off expenditure in respect of drought relief interventions undertaken, these interventions were overseen by uMhlathuze Water Board as the implementing agent. The 2018/19 MTEF budget provides for the construction of CSCs and houses for *Amakhosi*, as well as the installation and maintenance of the province-wide disaster management communication system.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 11.9 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA, as well as other entities. ADA does not fall under the auspices of the department, but is merely used as an implementing agent.

Table 11.9 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfers to public entities		18 850	6 150	14 550	-	-	-	-	-	-
Agri-Business Dev Agency	4.2: Trad. Resource Admin.	18 850	6 150	14 550	-	-	-	-	-	-
Transfers to other entities		33 254	45 100	10 100	-	-	-	-	-	-
SAPI	3.1: Spatial Planning	254	-	-	-	-	-	-	-	-
SACPLAN	3.3: LED	-	-	2 000	-	-	-	-	-	-
Umgenti Water Board	3.4: Municipal Infra.	-	33 000	-	-	-	-	-	-	-
uMhlathuze Water Board	3.4: Municipal Infra.	33 000	12 100	8 100	-	-	-	-	-	-
Total		52 104	51 250	24 650	-	-	-	-	-	-

The transfer to ADA in 2014/15 was for the implementation of the uThukela *Amakhosi* programme and the Msinga Asisukume Co-operative, as previously discussed. The department indicated that, due to

capacity constraints in the municipalities, it appointed ADA to implement these projects. According to the department, this project was successfully implemented by the entity and, as such, the department made further transfers in 2015/16 for the entity to pilot the *Amakhosi* Rural Economic Development programme in other districts. The amount in 2016/17 was for the implementation of the Okhahlamba community vineyard, Empangisweni community citrus fruit and vegetable production and Chiliza piggyery projects.

The once-off amount in 2014/15 against the South African Planning Institute (SAPI) relates to a donation for the Planning Africa Conference which promotes information sharing and continuous professional development in the planning arena. The amount against SACPLAN in 2016/17 was for the 2016 ISOCARP conference, as discussed.

The once-off amount in 2015/16 against the Umgeni Water Board was for water provision for the uMkhanyakude District Municipality with regard to drought relief and provided for vehicle repairs, pump repairs, repairs to broken borehole shafts, borehole connections, and the relocation of bulk water, among others. The department used the Umgeni Water Board as an implementing agent because of the skills, expertise and equipment possessed by the institution.

The amounts in 2014/15 and 2015/16 against the uMhlathuze Water Board were for the 2014 general elections, where the water board was tasked to assist the department with providing voting stations with infrastructure such as sanitation and water, and the provision of potable water delivery in the KwaSani area, respectively. In addition, the department made a further transfer in 2016/17 for the implementation of the KwaSani Bucket Eradication project.

7.8 Transfers to local government

Table 11.10 details the transfers to local government, summarised according to categories A, B and C. Table 11.11 provides the departmental transfers to local government by grant name. Detailed information on the departmental transfers to local government by transfer/grant type, category and municipality is given in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*. Transfers to local government include funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 11.10 and 11.11.

Table 11.10 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	1 000	-	-	-	1 000	1 000	1 500	1 500	1 500
Category B	304 916	255 056	117 970	18 200	26 350	32 350	9 500	38 250	9 500
Category C	47 145	17 850	43 564	2 700	1 350	1 350	2 650	5 550	5 650
Unallocated	-	-	-	-	-	-	-	-	-
Total	353 061	272 906	161 534	20 900	28 700	34 700	13 650	45 300	16 650

Table 11.11 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
system	2.1: Mun. Admin.	-	-	1 000	-	-	-	-	-	-
Work study at merged municipalities	2.1: Mun. Admin.	-	-	3 500	-	-	-	-	-	-
Promulgation of municipal by-laws	2.1: Mun. Admin.	-	-	1 000	-	-	-	-	-	-
Pounds Act	2.1: Mun. Admin.	1 000	-	-	-	-	-	-	-	-
Integrated Youth Development Summit	2.3: Public Participation	-	-	-	-	1 000	1 000	-	-	-
Municipal Excellence awards	2.5: Mun. Perf. Mon., Rep. & Eval.	5 000	-	-	-	-	-	-	-	-
Schemes Support programme	3.1: Spatial Planning	2 705	-	-	7 000	7 000	7 000	4 500	6 250	-
Support	3.1: Spatial Planning	-	-	-	1 200	1 200	1 200	5 000	4 250	11 500
GIS Precinct Support	3.1: Spatial Planning	-	-	-	-	1 000	1 000	-	-	-
Corridor Development programme	3.3: LED	92 101	-	5 526	-	-	-	-	-	-
Small Town Rehabilitation programme	3.3: LED	109 800	50 000	76 889	-	9 750	9 750	-	30 000	-
Construction of TSCs and CSCs	3.3: LED	5 000	-	7 500	7 500	7 500	7 500	-	-	-
Operational Support for TSCs	3.3: LED	5 250	15 000	-	-	-	-	-	-	-
Mandela Day Marathon event	3.3: LED	-	-	5 414	-	-	-	-	-	-
Massification prog (incl. elec. projects)	3.4: Mun. Infra.	119 455	180 956	21 155	-	-	-	-	-	-
Drought relief interventions	3.5: Disaster Mgt.	-	-	35 000	-	-	-	-	-	-
Disaster Management	3.5: Disaster Mgt.	7 000	24 100	-	-	-	6 000	-	-	-
Dev. Planning and Shared Serv	3.6: IDP Co-ordination	4 750	2 850	4 550	5 200	1 250	1 250	2 650	3 300	3 650
Sustainable Living Exhibition	3.6: IDP Co-ordination	1 000	-	-	-	-	-	1 500	1 500	1 500
Total		353 061	272 906	161 534	20 900	28 700	34 700	13 650	45 300	16 650

The amounts against transfers to local government fluctuate, and cater mainly for projects under the Corridor Development, Massification and the Small Town Rehabilitation programmes. The fluctuations can be attributed to the spending patterns of municipalities. The low spending in 2016/17 was due to the reprioritisation of funds for the payment of *Izinduna*. This has affected allocations from 2017/18 onward, with the exception of 2019/20, where some provision has been made in respect of Small Town Rehabilitation projects, as mentioned previously.

Refer to Section 7.3 for further details.

7.9 Transfers and subsidies

Table 11.12 gives a summary of transfers and subsidies expenditure and estimates at an item level for each programme of the department. Details are provided in the paragraphs after the table.

Table 11.12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
1. Administration	13 796	11 778	11 961	12 464	10 879	10 819	13 911	14 789	15 470
Provinces and municipalities	230	228	422	215	259	257	497	525	554
Motor vehicle licence	230	228	422	215	259	257	497	525	554
Departmental agencies and accounts	1 381	-	-	-	-	-	-	-	-
PSETA	1 381	-	-	-	-	-	-	-	-
Households	12 185	11 550	11 539	12 249	10 620	10 562	13 414	14 264	14 916
Staff exit costs	4 061	3 707	3 999	2 704	2 996	3 938	2 542	2 550	2 558
Bursaries and claims against the state	8 124	7 843	7 540	9 545	7 624	6 624	10 872	11 714	12 358
2. Local Governance	6 698	431	6 423	150	1 196	1 289	70	450	150
Provinces and municipalities	6 000	-	5 500	-	1 000	1 000	-	-	-
Pounds Act	1 000	-	-	-	-	-	-	-	-
Municipal Excellence awards	5 000	-	-	-	-	-	-	-	-
Con. and migration of records mgt system	-	-	1 000	-	-	-	-	-	-
Work study exercise at merged municipalities	-	-	3 500	-	-	-	-	-	-
Promulgation of municipal by-laws	-	-	1 000	-	-	-	-	-	-
Youth Development Summit	-	-	-	-	1 000	1 000	-	-	-
Households	698	431	923	150	196	289	70	450	150
Staff exit costs	698	431	923	150	196	259	70	450	150
Other transfers to households	-	-	-	-	-	30	-	-	-
3. Development and Planning	399 286	336 300	186 065	21 000	27 841	33 904	14 100	45 300	16 650
Provinces and municipalities	347 061	272 906	156 034	20 900	27 700	33 700	13 650	45 300	16 650
Small Town Rehabilitation programme	109 800	50 000	76 889	-	9 750	9 750	-	30 000	-
Corridor Development programme	92 101	-	5 526	-	-	-	-	-	-
Massification prog (incl. elec. projects)	119 455	180 956	21 155	-	-	-	-	-	-
Operational Support for TSCs	5 250	15 000	-	-	-	-	-	-	-
Construction of TSCs and CSCs	5 000	-	7 500	7 500	7 500	7 500	-	-	-
Development Planning and Shared Services	4 750	2 850	4 550	5 200	1 250	1 250	2 650	3 300	3 650
Disaster Management	7 000	24 100	-	-	-	6 000	-	-	-
Schemes Support programme	2 705	-	-	7 000	7 000	7 000	4 500	6 250	-
Drought relief interventions	-	-	35 000	-	-	-	-	-	-
Spatial Dev. Framework Support	-	-	-	1 200	1 200	1 200	5 000	4 250	11 500
Sustainable Living Exhibition	1 000	-	-	-	-	-	1 500	1 500	1 500
Mandela Day Marathon event	-	-	5 414	-	-	-	-	-	-
GIS Precinct Support	-	-	-	-	1 000	1 000	-	-	-
Departmental agencies and accounts	18 850	6 150	14 550	-	-	-	-	-	-
ADA	18 850	6 150	14 550	-	-	-	-	-	-
Public corporations and private enterprises	33 254	45 100	10 100	-	-	-	-	-	-
SAPI	254	-	-	-	-	-	-	-	-
SACPLAN	-	-	2 000	-	-	-	-	-	-
uMhlathuze Water Board	33 000	12 100	8 100	-	-	-	-	-	-
Umgenti Water Board	-	33 000	-	-	-	-	-	-	-
Non-profit institutions	-	11 536	4 947	-	-	-	-	-	-
COEGA	-	11 536	4 947	-	-	-	-	-	-
Households	121	608	434	100	141	204	450	-	-
Staff exit costs	121	608	434	100	141	204	450	-	-
4. Traditional Institutional Management	85 179	104 508	29 481	600	1 186	2 520	1 150	550	454
Non-profit institutions	83 121	103 275	27 704	-	-	-	-	-	-
Traditional levies and trust account	83 121	103 275	27 704	-	-	-	-	-	-
Households	2 058	1 233	1 777	600	1 186	2 520	1 150	550	454
Staff exit costs	1 819	1 211	1 777	600	1 186	2 520	1 150	550	454
Other transfers to households	239	22	-	-	-	-	-	-	-
Total	504 959	453 017	233 930	34 214	41 102	48 532	29 231	61 089	32 724

Transfers and subsidies fluctuates over the period due to various projects undertaken at different times. The paragraphs below provide more detail per category:

- *Transfers and subsidies* under Programme 1 fluctuates over the seven-year period due to the following:
 - *Provinces and municipalities* relates to the payment of motor vehicle licences.
 - *Departmental agencies and accounts* caters for the payment to PSETA.
 - *Households* caters for the payment of staff exit costs. The category also reflects the uMsekeli Municipal Support Services pensioners' medical aid obligation, as well as external bursaries in respect of various qualifications, such as the National Diploma in Civil Engineering, Public Management, Cost and Management Accounting, Surveying, Electrical Engineering, among others.
- *Transfers and subsidies* under Programme 2 fluctuates over the seven-year period due to the following:
 - *Provinces and municipalities* is in respect of various municipal projects, such as the consolidation and migration of the record management systems for merged municipalities, work study exercises undertaken and the promulgation of by-laws, among others, which were once-off. No allocations have been made over the 2018/19 MTEF, at this stage.
 - *Households* caters mainly for staff exit costs.
- *Transfers and subsidies* under Programme 3 shows significant fluctuations due to the following:
 - *Provinces and municipalities* represents municipal projects such as the Corridor Development, Massification and the Small Town Rehabilitation programmes. The category fluctuates in line with spending patterns of municipalities with regard to various projects. The category included once-off funding for electrification projects and the development of rural areas, as explained. The amounts allocated in 2017/18 and 2018/19 provide for the construction of CSCs, Development Planning and Shared Services, Spatial Development Framework Support and Sustainable Living Exhibitions.
 - *Departmental agencies and accounts* relates to transfers to ADA from 2014/15 to 2016/17, as previously explained in Section 7.7.
 - *Public corporations and private enterprises* relates to a once-off donation to SAPI in 2014/15 for the Planning Africa Conference. The 2015/16 amount against Umgeni Water Board was a once-off allocation for water provision in the uMkhanyakude District Municipality. The amount against SACPLAN in 2016/17 was for the 2016 ISOCARP conference, as discussed. The funds against uMhlathuze Water Board from 2014/15 to 2016/17 were in respect of the implementation of the KwaSani Bucket Eradication project. In 2017/18 and over the 2018/19 MTEF, no further allocations are anticipated, at this stage.
 - The amounts against *Non-profit institutions* relates to expenditure in respect of COEGA for the purchase and installation of solar panels and generators.
 - *Households* cater for the payment of staff exit costs.
- *Transfers and subsidies* under Programme 4 are as follows:
 - *Non-profit institutions* relates to the expenditure in respect of the traditional levies and trust account from the various economic categories within Programme 4, as previously explained. The amounts in 2017/18 and over the 2018/19 MTEF cannot be determined at this stage and have, therefore, not yet been moved to this category. The decrease in 2016/17 can be attributed to the reclassification of expenditure such as cultural events and installation of *Amakhosi*, to name a few, as a result of an audit recommendation.
 - *Households* caters mainly for staff exit costs.

8. Programme description

The services rendered by the department are categorised under four programmes. As mentioned earlier, the department's budget and programme structures for the 2018/19 MTEF comply with the uniform budget and programme structure for the sector.

The payments and estimates for each programme are summarised in terms of economic classification. Details are given in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

8.1 Programme 1: Administration

This programme comprises all support services within the department, the Office of the Ministry and all special projects.

Tables 11.13 and 11.14 illustrate a summary of payments and estimates for the financial years 2014/15 to 2020/21 relating to Programme 1.

Table 11.13 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	20 090	21 302	20 812	27 320	22 370	21 734	22 147	25 306	26 457
2. Corporate Services	311 801	361 257	359 608	366 519	373 570	365 319	432 805	399 381	419 194
Total	331 891	382 559	380 420	393 839	395 940	387 053	454 952	424 687	445 651

Table 11.14 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	300 157	358 677	357 235	379 639	373 957	366 992	407 821	403 736	422 287
Compensation of employees	151 237	160 671	168 131	205 148	180 175	178 703	210 244	228 174	246 552
Goods and services	148 920	198 006	189 104	174 491	193 782	188 289	197 577	175 562	175 735
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	13 796	11 778	11 961	12 464	10 879	10 819	13 911	14 789	15 470
Provinces and municipalities	230	228	422	215	259	257	497	525	554
Departmental agencies and accounts	1 381	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	12 185	11 550	11 539	12 249	10 620	10 562	13 414	14 264	14 916
Payments for capital assets	17 914	12 104	11 224	1 736	11 104	9 242	33 220	6 162	7 894
Buildings and other fixed structures	-	936	4 112	-	-	-	-	-	-
Machinery and equipment	16 483	10 842	6 696	1 736	10 859	8 992	33 220	6 162	7 894
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 431	326	416	-	245	250	-	-	-
Payments for financial assets	24	-	-	-	-	-	-	-	-
Total	331 891	382 559	380 420	393 839	395 940	387 053	454 952	424 687	445 651

The sub-programme: Office of the MEC reflects an increasing trend. The growth in 2017/18 and over the 2018/19 MTEF is attributed to inflationary increments, and provides for the printing of the departmental APP, budget speech, Section 131 of the MFMA report, annual report, OSS initiatives, among others.

The sub-programme: Corporate Services provides for the department's ICT system, maintenance of departmental buildings, financial management, and auxiliary services, among others. The increase in 2016/17 was due to funds reprioritised from Programme 3, for the improvement of the department's ICT systems, as well as communication, legal and operating costs, as explained previously. The decrease in the 2017/18 Revised Estimate is due to the slow filling of vacant posts and the halting of office accommodation projects, as previously discussed. The purchase of IT servers for all departmental buildings is provided for in 2018/19. The MTEF provides for inflationary increments, and for the Operation Clean Audit initiative, auxiliary services, update of the department's movable asset register, implementation of anti-fraud and corruption strategies and service delivery improvement plans, etc.

Compensation of employees increased in 2016/17 due to the higher than anticipated wage agreement. The decrease in the 2017/18 Revised Estimate is due to the slower than anticipated filling of critical vacant posts such as the Head of Department (which was filled in-year), Director: SCM, Chief Director: Finance as well as the resignation of staff. The increase over the MTEF is to cater for annual salary increases,

including the provision for the filling of the remaining critical vacant posts, such as Director: Auxiliary Services, Head of Ministry, Executive Secretary, and Deputy Director: Labour Relation, among others.

Goods and services relates mainly to various projects undertaken, such as the improvement in the department's ICT system, as well as the maintenance and repairs of departmental buildings. The decrease in the 2017/18 Revised Estimate relates to the halting of office accommodation projects, such as Whitby Lodge. The higher allocation in the first year of the 2018/19 MTEF is due to the last phase of the Microsoft Migration project, as well as the improvement of the department's ICT system.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts caters for the payment to PSETA, and is not provided for from 2015/16, as explained.

Transfers and subsidies to: Households provides for staff exit costs, external bursaries, and the uMsekeli Municipal Support Services pensioners' medical aid obligation, as explained.

The once-off amounts against *Buildings and other fixed structures* in 2015/16 and 2016/17 were for the purchase of park homes for office accommodation in the Ixopo area to accommodate the additional staff appointed for the department's Traditional Affairs unit, and the additional CDWs appointed.

Machinery and equipment provides for new and replacement vehicles and computer equipment. The significant increase in 2018/19 is due to a provision made by the department for the purchase of IT servers.

Software and other intangible assets relates to the purchase of computer software packages (system hosting servers, Blackberry Enterprise Services software, etc.). The 2017/18 Revised Estimate caters for the JAWS software acquired for two visually impaired interns. No provision is made over the MTEF as the department is not anticipating any software purchases.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

8.2 Programme 2: Local Governance

The purpose of the programme is to co-ordinate, support, promote and enhance governance, administration and public participation in local government.

This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

Note that the department has restated figures across the Municipal Administration and Municipal Finance sub-programmes. This was conducted in order to correct the placement of personnel in line with the departments' revised organisational structure.

Tables 11.15 and 11.16 illustrate a summary of payments and estimates for 2014/15 to 2020/21 relating to Programme 2.

Table 11.15 : Summary of payments and estimates by sub-programme: Local Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Municipal Administration	41 635	55 315	57 906	55 704	36 227	31 249	56 286	68 093	68 245
2. Municipal Finance	26 659	17 812	15 641	32 264	27 120	25 735	26 378	26 487	28 313
3. Public Participation	127 668	139 888	158 227	168 206	172 066	171 045	180 987	210 601	251 008
4. Capacity Development	5 525	6 053	10 498	18 380	17 082	10 967	19 717	21 325	23 148
5. Municipal Perf. Monitoring, Reporting and Evaluation	15 890	9 423	11 858	16 831	9 617	9 043	17 371	19 145	20 112
Total	217 377	228 491	254 130	291 385	262 112	248 039	300 739	345 651	390 826

Table 11.16 : Summary of payments and estimates by economic classification: Local Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	210 231	226 960	246 711	290 090	259 720	245 668	299 539	344 996	390 506
Compensation of employees	161 148	180 463	194 979	242 275	204 236	197 426	237 462	294 537	335 713
Goods and services	49 083	46 497	51 732	47 815	55 484	48 242	62 077	50 459	54 793
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	6 698	431	6 423	150	1 196	1 289	70	450	150
Provinces and municipalities	6 000	-	5 500	-	1 000	1 000	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	698	431	923	150	196	289	70	450	150
Payments for capital assets	448	1 100	996	1 145	1 196	1 082	1 130	205	170
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	448	1 100	996	1 145	1 196	1 082	1 130	205	170
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	217 377	228 491	254 130	291 385	262 112	248 039	300 739	345 651	390 826

The sub-programme: Municipal Administration provides oversight and functionality of IGR structures (such as MINMEC, MUNIMEC, Municipal IGR fora, etc.), enforcement of legislation and policy in local government, stabilisation and strengthening of Traditional Leadership, as well as the implementation of integrity management programmes in municipalities. The decrease in the 2017/18 Revised Estimate was in respect of *Compensation of employees* and relates to the non-filling of critical vacant posts. These include vacant posts such as three Deputy Directors: IGR, Director: Municipal Performance, two Deputy Directors: Capacity Development, Deputy Director: Nerve Centre, and five Assistant Directors: Nerve Centre. The growth over the MTEF is due to the anticipated filling of critical vacant posts, as well as inflationary increments.

The sub-programme: Municipal Finance includes Operation Clean Audit and special intervention projects, such as financial interventions in affected municipalities, etc. The decrease in 2016/17 relates to reprioritisation as a result of slower than anticipated filling of critical vacant posts, and the savings were moved to the Public Participation sub-programme. The decrease in the 2017/18 Revised Estimate relates to delays in the filling of posts and the halting of the Debt Management Project, as previously discussed. The growth over the MTEF caters for municipal projects (debt collection and revenue management), the carry-through of the above-budget 2016 wage adjustment, as well as inflationary increments.

The sub-programme: Public Participation provides for cell phone contracts, laptops, travel and subsistence and furniture for CDWs, in order to improve their work and reporting. The sub-programme also provides for the deployment of skilled professionals and administrators in municipalities, the provision for support to OSS in addressing service delivery needs of the communities, particularly communities in remote and rural areas, among others. The growth over the MTEF is inflationary related.

The main function of the sub-programme: Capacity Development is to ensure the development and implementation of a comprehensive capacity building strategy for local government and traditional institutions. The substantial growth from 2016/17 onward can be attributed to capacitation of new council members and municipal officials in order to bring them in line with the requirements of their posts and functions, after the 2016 local government elections. The amounts over the MTEF cater for the capacity building skills audit project in municipalities, aimed at providing training where there is a need in areas such as financial and project management.

The sub-programme: Municipal Performance Monitoring, Reporting and Evaluation relates to strategic planning support to municipalities, with a focus on development planning, capacity building and the review and development of IDPs in various municipalities. The allocations over the MTEF are to support municipalities to improve standards of service delivery and governance through the improvement of performance management systems in municipalities, as well as inflationary increments.

Compensation of employees reflects an increasing trend over the period under review due to annual salary adjustments, as well as the employment of CDWs to undertake community development work in all districts from 2012/13 onward. The increase from 2016/17 onward caters for annual salary increases, as well as provision to fill 19 critical vacant posts, such as Chief Director: Municipal Planning and the Rapid Response Specialists. The department plans to maintain the number of 438 CDWs from 2017/18 onward as in 2016/17. The allocation over the MTEF reflects a steady increase due to inflationary increments, and the filling of critical vacant posts.

Goods and services provides for cell phone contracts, laptops, travel and subsistence and furniture, etc., for the CDWs, and for the deployment of additional skilled professionals and administrators in municipalities. The substantial increase in 2016/17 was due to the roll-over of funds for campaigns in respect of the 2016 local government elections, as detailed previously. This accounts for the decrease from 2017/18 and over the MTEF. The increase in 2018/19 relates to the shift in funds from Programme 1 to the sub-programme: Public Participation for all service delivery projects. The MTEF provides for projects such as MINMEC, MUNIMEC, Municipal IGR fora, etc., improving standards of service delivery and governance in municipalities, the capacity building skills audit project in municipalities, among others.

Transfers and subsidies to: Provinces and municipalities in 2016/17 was for the consolidation and migration of record management systems for the merged municipalities, work study exercises undertaken at the merged municipalities and the promulgation of municipal by-laws, as explained. There is no provision for this category over the MTEF, as most projects are based on requests from municipalities and are mostly once-off projects.

Transfers and subsidies to: Households caters for staff exit costs.

Machinery and equipment over the MTEF is for equipment requirements for the filling of critical posts, as well as the replacement of vehicles and computer equipment.

Payments for financial assets relate to the write-off of staff debts.

Service delivery measures: Local Governance

Table 11.17 illustrates the main service delivery measures pertaining to Programme 2. The performance indicators provided do not comply fully with the customised measures for the COGTA sector, and are currently being reviewed by the department. The word “New” in the 2017/18 Estimated performance illustrates that the indicator did not exist in 2017/18 and that it is a new indicator from 2018/19 onward. The table includes both sector and non-sector measures, and the outputs have been updated to align with the department’s APP.

Table 11.17 : Service delivery measures: Local Governance

Table 11.17 : Service delivery measures: Local Governance						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21
2.1	Municipal Governance and Administration					
2.1.1	Implement Municipal Strategic Planning through co-ordination of sector departments and municipalities. Measure performance on the implementation of IDP, Back to Basics (B2B) support plans and institutionalise PMS	<ul style="list-style-type: none">Percentage of service delivery issues co-ordinatedReport on the implementation of B2B action plans by municipalities	New	100%	100%	100%
			New	4	4	4
2.1.2	Improve functionality of IGR Structures and systems.	<ul style="list-style-type: none">No. of IGR structures functional in accordance with the IGR frameworkNo. of SALGA partnerships maintained	10	10	10	10
			1	1	1	1
2.1.3	Support municipalities to enhance the functionality of oversight structures	<ul style="list-style-type: none">No. of municipalities with functional oversight structures	54	54	54	54
2.1.4	Strengthen the institutional capacity of municipalities by monitoring compliance with local government legislation and policies	<ul style="list-style-type: none">No. of municipalities supported to comply with local government legislationNo. of municipalities complying with local government policiesNo. of draft standard by-laws developed to support the municipalities with their legislative competency	54	54	54	54
			54	54	54	54
			5	5	5	5

Table 11.17 : Service delivery measures: Local Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
	<ul style="list-style-type: none"> No. of municipalities supported to complying with MSA regulations on the appointment of senior managers No. of municipalities supported to achieve 50/50 representation of women in Section 56 posts 	54	54	54	54	
2.1.5.	Support municipalities in improving participation of traditional leaders at municipal level. (Section 81)	New	54	54	54	
	Create a mechanism for Traditional Institutions to engage with IGR structures					
2.1.5	Eradicate the incidences of fraud within municipalities	54	52	52	52	
	<ul style="list-style-type: none"> No. of municipalities with the participation of traditional leaders 	54	52	52	52	
	<ul style="list-style-type: none"> No. of municipalities monitored on the extent to which anti-corruption measures are implemented Percentage of fraud, corruption and maladministration cases investigated (including NACH cases) No. of municipalities supported with the review of fraud risk registers Percentage of COGTA forensic investigation recommendations monitored 	54	54	54	54	
		100%	100%	100%	100%	
		54	54	54	54	
		100%	100%	100%	100%	
2.2	Municipal Finance					
2.2.1	Capacitate municipalities with expenditure on capital infrastructure	54	54	54	54	
	<ul style="list-style-type: none"> No. of municipalities assessed on budget allocated to capital infrastructure (new construction, maintenance and operations) No. of municipalities assessed on expenditure allocated to capital infrastructure spent (new construction, maintenance and operations) 	54	54	54	54	
2.2.2	Assist municipalities to implement revenue raising strategy	New	<5%	<5%	<5%	
		44	44	44	44	
2.2.3	Section 81 and 131 (corrective actions based on the reports)	1	1	1	1	
2.2.4	Ensure municipalities address all issues highlighted in the audit outcomes	54	54	54	54	
	<ul style="list-style-type: none"> No. of municipalities supported toward achievement of clean audits No. of municipalities with functional audit committees 	54	54	54	54	
2.3	Public Participation					
2.3.1	Support municipalities in improving the functionality of ward committees as per municipal structures/systems act	44	44	44	44	
	<ul style="list-style-type: none"> No. of municipalities supported to maintain functional ward committees No. of municipalities supported on the implementation of ward operational plans 	New	44	44	44	
2.3.2	Assist municipalities to enhance engagement of stakeholders and constant feedback in order to reduce service delivery protests	New	100%	100%	100%	
	<ul style="list-style-type: none"> Percentage of Sectoral Parliament COGTA resolutions implemented No. of municipalities supported to respond to community concerns No. of municipalities with functional rapid response teams in line with the Rapid Response Strategy 	New	44	44	44	
		54	54	54	54	
2.4	Capacity Building					
2.4.1	Capacitate municipalities in accordance to the capacity building strategy (in context of B2B approach)	1	1	1	1	
	<ul style="list-style-type: none"> No. of provincial capacity building strategies co-ordinated No. of capacity building interventions conducted in municipalities 	3	3	3	3	
2.5	Municipal Performance Monitoring, Reporting and Evaluation					
2.5.1	Support municipalities to establish an effective performance management to ensure value for money	54	54	54	54	
2.5.2	Report on progress of performance made by municipalities	1	1	1	1	
2.5.3	Support municipalities to enhance the oversight role of councillors in assessing the performance of administration	1	1	1	1	
	<ul style="list-style-type: none"> No. of evaluations conducted No. of municipalities complying with single reporting mechanism 	54	54	54	54	
2.5.4	Develop an electronic dashboard that reflects the current status of municipalities	10	10	10	10	

8.3 Programme 3: Development and Planning

The purpose of this programme is to promote informed integrated planning and development in the province. This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

Tables 11.18 and 11.19 illustrate a summary of payments and estimates for 2014/15 to 2020/21 relating to Programme 3.

Table 11.18 : Summary of payments and estimates by sub-programme: Development and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Spatial Planning	38 163	34 175	32 900	42 220	41 682	40 155	52 032	68 013	69 896
2. Land Use Management	17 697	18 596	21 876	24 694	21 579	20 878	21 949	24 393	26 297
3. Local Economic Development	337 806	174 748	252 417	120 205	164 835	164 670	140 605	165 543	169 024
4. Municipal Infrastructure	196 151	295 101	108 756	76 268	80 150	80 932	75 689	73 442	63 837
5. Disaster Management	88 860	105 033	206 373	56 207	56 448	58 265	44 882	60 722	63 990
6. IDP Co-ordination	20 574	14 055	14 826	19 141	12 733	12 337	15 441	18 501	20 025
Total	699 251	641 708	637 148	338 735	377 427	377 237	350 598	410 614	413 069

Table 11.19 : Summary of payments and estimates by economic classification: Development and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	254 237	251 149	325 309	289 629	298 476	294 620	286 074	326 021	349 680
Compensation of employees	101 964	109 684	98 736	122 072	104 987	103 793	121 927	151 448	179 514
Goods and services	152 273	141 465	226 573	167 557	193 489	190 827	164 147	174 573	170 166
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	399 286	336 300	186 065	21 000	27 841	33 904	14 100	45 300	16 650
Provinces and municipalities	347 061	272 906	156 034	20 900	27 700	33 700	13 650	45 300	16 650
Departmental agencies and accounts	18 850	6 150	14 550	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	33 254	45 100	10 100	-	-	-	-	-	-
Non-profit institutions	-	11 536	4 947	-	-	-	-	-	-
Households	121	608	434	100	141	204	450	-	-
Payments for capital assets	45 728	54 259	125 774	28 106	51 110	48 713	50 424	39 293	46 739
Buildings and other fixed structures	39 342	42 150	106 810	20 674	42 144	42 144	43 054	31 672	38 794
Machinery and equipment	6 386	12 109	18 699	7 282	8 966	6 569	7 208	7 457	7 755
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	265	150	-	-	162	164	190
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	699 251	641 708	637 148	338 735	377 427	377 237	350 598	410 614	413 069

The sub-programme: Spatial Planning caters for the Schemes Support (housing schemes in support of home-ownership) and Spatial Development Framework Support in municipalities. The amounts over the MTEF are in line with spending on various municipal projects, such as the Municipal Property Register updates and Web-based Cadastral Data Viewer maintenance, and the deployment of professionals skilled in financial management to assist municipalities with their recovery plans.

The sub-programme: Land Use Management caters for projects such as the town settlement formalisation support, support to municipalities with the implementation of SPLUMA, development of provincial norms and standards, development planning legislation, as well as the remuneration of board members dealing with appeals such as the Town Planning Appeals Board and the KZN Planning and Development Act (PDA) Tribunal Appeals Board. The slight decrease in the 2017/18 Revised Estimate is due to delays in the filling of posts. The 2018/19 MTEF makes provision for the filling of vacant posts, the continued support of municipalities with the implementation of SPLUMA and town settlement formalisation projects, among others.

The sub-programme: Local Economic Development increased in 2016/17 due to transfers undertaken for the Small Town Rehabilitation programme, hence the substantial drop in 2017/18. The increase in the 2017/18 Revised Estimate is due to an increase in transfer payments for Small Town Rehabilitation

projects, the Disaster Management project in Kokstad, as well as the rehabilitation and refurbishment of CSCs. The 2018/19 MTEF reduction can be ascribed to reprioritisation for the remuneration of *Izinduna*. The remaining amounts provide for the development of Corridor Development plans, capacity building workshops, support to TCs with development initiatives, support to CSCs for effective functionality, provision of infrastructure for *Imizi Yezizwe* and CSC programmes, as well as the Small Town Rehabilitation programme, such as taxi rank upgrades, pothole repairs, area cleaning programmes, market stalls and small trader facilities at taxi ranks, and the construction of the Bergville CSC in order to accommodate the lack of rental space conducive for government and non-governmental services.

The sub-programme: Municipal Infrastructure supports municipalities in service delivery utilising various IGR fora, improve delivery and maintenance of basic water services, production and maintenance of energy sources etc. The significant decrease in 2016/17 was due to the allocation of once-off funds in 2015/16. In terms of electrification projects, 90 per cent of the Mbabazane and Mhlumba projects in the Inkosi Langalibalele Municipality were completed in 2017/18. These projects will provide 267 and 273 household connections, respectively. The 2018/19 MTEF budget is lower due to reprioritisation from this sub-programme for the remuneration of *Izinduna*. The MTEF budget provides for support to municipalities to implement indigent policies, operational and maintenance plans, and increasing water connections to low income housing communities, etc.

The sub-programme: Disaster Management shows a high amount in 2016/17, as it includes a portion of the once-off additional allocation for drought relief interventions. The decrease in 2017/18 and over the 2018/19 MTEF was due to reprioritisation for the remuneration of *Izinduna*, accounting for the substantial drop. The non-renewal of the contracts for municipal-based Disaster Management employees also contributed to the decrease. The MTEF provides for support to districts with regard to Disaster Risk Management Planning, holding Provincial and Municipal Disaster Management Advisory Forums, and conducting Disaster Risk Management public awareness campaigns, among others.

The sub-programme: IDP Co-ordination caters for shared services projects (such as IDP assessment support) in municipalities, and this is dependent on the number of municipalities needing the services at a particular time. In addition, this sub-programme is responsible for guiding spatial development within municipalities to assist with the various programmes (community participation in IDPs, Development Planning and Shared Services and Schemes Support programmes). The decrease in the 2017/18 Revised Estimate is as a result of projects being conducted in-house to avoid the appointment of consultants. The MTEF budget caters for the implementation of district shared services, support to municipalities with the development of legally compliant IDPs, etc.

Compensation of employees over the MTEF provides for the carry-through costs of the above-budget 2016 wage adjustment, with provision made for the filling of critical vacant posts, such as Deputy Director: Special Initiatives, Town and Regional Planners and Administrative Officers. The increases over the MTEF are mainly due to inflationary increments.

Goods and services relates to various projects undertaken. The Project Management unit was established in 2017/18 and manages all projects. The increase between the Main Appropriation and Revised Estimate for 2017/18 is due to commitments pertaining to drought relief intervention projects. The low amounts over the MTEF resulted from the reprioritisation to fund the remuneration of *Izinduna*. After the 2017/18 MTEF budget cuts, the department budgeted R35.757 million for Small Town Rehabilitation, R21.159 million for Corridor Development and R53.448 million for Massification (Provincial Executive Council priority projects) programmes over the 2018/19 MTEF.

With regard to *Transfers and subsidies to: Provinces and municipalities*, the MTEF allocations include the Spatial Development Framework Support, construction of TSCs and CSCs, Development Planning and Shared Services and the Schemes Support programmes.

Transfers and subsidies to: Departmental agencies and accounts relates to transfers to ADA for the implementation of various projects. There is no transfer anticipated to ADA over the MTEF, at this stage.

Transfers and subsidies to: Public corporations and private enterprises relates to a donation to SAPI, transfers to the uMhlathuze Water Board for the provision of potable water delivery services to district

municipalities, expenditure incurred relating to the 2014 general elections, transfer to Umgeni Water Board for water provision in the uMkhanyakude District Municipality, among others. These projects are once-off, hence there is no further allocation in 2017/18 and over the 2018/19 MTEF.

Transfers and subsidies to: Non-profit institutions relates to a transfer to COEGA for the purchase and installation of solar panels and generators, as discussed.

Transfers and subsidies to: Households caters mainly for staff exit costs.

Buildings and other fixed structures makes provision for the construction and rehabilitation of TACs, TSCs and CSCs. The department has reprioritised substantially from this category toward the remuneration of *Izinduna*, as explained. Various construction and rehabilitation projects such as the Matimatolo CSC, and Chwezi TSC among others, are provided for over the MTEF.

Machinery and equipment caters for office and computer equipment, new and replacement vehicles.

Software and other intangible assets relates to the Adobe Creative Suite 6 Design and Web Premium software to create and maintain a comprehensive, accessible and user-friendly GIS database and website.

Payments for financial assets relate to the write-off of staff debts.

Service delivery measures: Development and Planning

Table 11.20 gives the main service delivery measures pertaining to Programme 3. The performance indicators provided do not comply fully with the customised measures for the COGTA sector, and are currently being reviewed by the department. The table includes both sector and non-sector measures, and the outputs have been updated to align with the department's APP.

The word "New" in the 2017/18 Estimated performance illustrates that the indicator did not exist in 2017/18 and that it is a new indicator from 2018/19 onward.

Table 11.20 : Service delivery measures: Development and Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
3.1 Spatial Planning						
3.1.1	Align SDFs of municipalities with Spatial Planning Guidelines including (Sustainable Development Goal Strategies (SDGS), Vision 2063, NDP, Integrated Urban Development Framework (IUDF) and PGDP)	<ul style="list-style-type: none"> No. of municipal SDFs complaint with SPLUMA provisions No. of Provincial Spatial Development Frameworks reviewed No. of provincial spatial planning norms and standards on spatial equity implemented 	New New 1	54 1 1	54 1 -	54 - -
3.1.2	Assist municipalities in implementing Land Use Management Schemes and systems	<ul style="list-style-type: none"> No. of municipalities supported to implement Land Use Schemes 	44	44	44	44
3.1.3	Development of a suite of plans	<ul style="list-style-type: none"> No. of Traditional Master Settlement Plans developed No. of nodal development plans developed to promote growth of small towns 	8 4	8 5	8 6	8 7
3.1.4	Development and implementation of key corridor development plans	<ul style="list-style-type: none"> No. of Corridor Development Plans developed 	1	1	1	1
3.2 Development Information Services						
3.2.1	Disaster Monitoring (GIS to record events and disasters with early warning and effectiveness thereof, response, impact, frequency of disasters)	<ul style="list-style-type: none"> % of incidents data mapped % of incidents, where early warning messages were disseminated mapped 	100% 100%	100% 100%	100% 100%	100% 100%
3.2.2	Assist municipalities in implementing Land Use Management Schemes and systems	<ul style="list-style-type: none"> % of adopted municipal schemes in the province mapped % of PGDP projects mapped 	100% 100%	100% 100%	100% 100%	100% 100%

Table 11.20 : Service delivery measures: Development and Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
3.2.3	Source, produce and disseminate updated municipal property registers (i.e. cadastral layer with ownership information), and analysis municipal rate data for revenue gaps (where applicable)	• No. of municipalities supported with MPRA implementation	38	38	38	38
3.3	Land Use Management					
3.3.1	Support municipalities to meet the time norms for processing of development applications	• Percentage of development applications that meet time norms for processing	New	80%	80%	80%
3.3.2	Assist municipalities in implementing Land Use Management Schemes	• No. of municipalities supported with implementation of SPLUMA	44	44	44	44
		• No. of municipalities capacitated on Development Administration	New	44	44	44
		• No. of municipalities supported with formalisation of towns	13	15	15	15
3.3.3	Align SDFs of municipalities with Spatial Planning Guidelines including (SDGS, Vision 2063, NDP, IUDP and PGDP)	• No. of provincial development norms and standards developed	2	1	1	1
3.3.4	Undertake cadastral survey work for the provision and maintenance of property descriptions of the areas of jurisdiction of Traditional Institutions	• % of received boundary description requests attended to	100%	100%	100%	100%
		• No. of Izigodi mapped	232	240	-	-
3.4.1	Local Economic Development (Special initiatives)					
3.4.1.1	Establish district agencies to drive LED and Investment	• No. of district agencies supported to effectively drive LED	10	10	10	10
3.4.1.4	Implementation of LED projects in line with municipal LED strategies	• No. of municipalities supported to implement LED projects in line with updated municipal LED strategies	10	54	54	54
		• No. of municipalities supported to implement the Red Tape Reduction programme	11	54	54	54
		• No. of social cohesion and nation building programmes supported	New	1	1	1
3.4.2	Local Economic Development (CSCs)					
3.4.2.1	Establishment of CSCs in Key Nodes aligned to Provincial Framework	• No. of CSC construction programmes implemented	1	1	1	1
		• No. of CSC rehabilitation programmes implemented	1	1	1	1
		• No. of municipalities supported with Grade 1 CSCs functionality	20	21	21	21
		• No. of Traditional Councils supported with Grade 2 CSCs functionality	30	30	35	35
3.4.4	Community Works Programme (CWP)					
3.4.4.1	Maintain EPWP and CWP employment opportunities	• No. of employment opportunities created through the CWP in municipalities	40 500	40 500	40 500	40 500
3.4.5	Local Economic Development (EPWP)					
3.4.5.1	Maintain EPWP and CWP employment opportunities	• No. of employment opportunities created through EPWP inclusive of all sectors (Food For Waste (FFW), Corridor, Small Town, CSC construction)	1 500	1 500	2 500	3 000
		• No. of municipalities supported to comply with EPWP principles	54	54	54	54
3.5	Municipal Infrastructure					
3.5.1	Functionality of IGR forums to promote the co-ordination of service delivery	• No. of functional co-ordinating structures for infrastructure development and service delivery	11	11	11	11
		• No. of municipalities monitored on the implementation of infrastructure delivery programmes	31	53	31	31
		• No. of municipalities supported to implement indigent policies	53	53	53	53
3.5.2	Support municipalities on the delivery of basic services	• No. of municipalities supported with increasing yard water connections	13	13	13	13
		• No. of municipalities supported in provision of basic level of sanitation services	13	13	13	13
3.5.3	Municipalities with the supply of energy	• No. of municipalities supported with increasing households with a source of electrical supply	9	3	3	3
3.5.4	Support municipalities in implementing operations and maintenance plans	• No. of municipalities supported to implement operation and maintenance plans	53	53	53	53

Table 11.20 : Service delivery measures: Development and Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
3.6 Disaster Management						
3.6.1	Disseminate early warning systems, impact, frequency and response plan	<ul style="list-style-type: none"> % of disaster incidents where prior warning was disseminated % of disaster events responded to within 6 hours 	100%	100%	100%	100%
3.6.2	Provincial and District Disaster Management IGR structures operational	No. of Disaster Management Advisory Forums supported	12	12	12	12
3.6.3	Capacitate municipalities on Disaster Risk Management	No. of municipalities supported on fire brigade services	New	11	11	11
3.6.4	Monitor the implementation of Disaster Risk Reduction Legislation by municipalities, sector departments and stakeholders	<ul style="list-style-type: none"> No. of districts and Metro monitored on the implementation of Disaster Risk Management Legislation No. of sector departments and stakeholders monitored on the implementation of Disaster Risk Management Legislation No. of municipalities supported to maintain functional Disaster Management Centres 	10 districts & metro	10 districts & metro	10 districts & metro	10 districts & metro
3.7 IDP Co-ordination						
3.7.1	Implement an Integrated Provincial Service Delivery Plan based on MTEF of provincial and national departments and municipal IDPs	No. of municipalities supported with development of the IDP	54	54	54	54
3.7.2	Co-ordinate the establishment of a joint provincial forum addressing integrated development planning	% of IDP implementation issues facilitated via Joint Provincial Service Delivery Forum	-	100%	100%	100%
3.7.3	Assist municipalities align budget with community needs	No. of municipalities with ward based plans aligned to the IDP	44	44	44	44
3.7.4	Build capacity of critical skills in district municipalities (pool of skills) Extend shared services to include local government	No. of district shared services implemented	10	10	10	10

8.4 Programme 4: Traditional Institutional Management

The purpose of this programme is to support and enhance the capacity of traditional councils.

This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

Tables 11.21 and 11.22 illustrate a summary of payments and estimates for 2014/15 to 2020/21 relating to Programme 4.

Table 11.21 : Summary of payments and estimates by sub-programme: Traditional Institutional Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Traditional Institutional Administration	118 297	152 811	223 827	440 852	483 760	548 584	447 679	471 905	507 562
2. Traditional Resource Administration	80 558	76 391	73 923	82 207	71 617	71 173	82 878	78 215	84 200
3. Rural Development Facilitation	18 195	17 594	17 310	20 410	17 987	17 291	21 443	23 820	26 162
4. Traditional Land Administration	17 018	18 534	16 607	17 798	17 883	18 086	20 793	22 130	23 597
Total	234 068	265 330	331 667	561 267	591 247	655 134	572 793	596 070	641 521

Table 11.22 : Summary of payments and estimates by economic classification: Traditional Institutional Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	145 594	158 934	301 849	560 617	586 264	651 034	564 081	595 415	640 907
Compensation of employees	143 327	156 480	168 299	517 149	175 633	174 072	196 556	210 166	227 309
Goods and services	2 267	2 454	133 550	43 468	410 631	476 962	367 525	385 249	413 598
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	85 179	104 508	29 481	600	1 186	2 520	1 150	550	454
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	83 121	103 275	27 704	-	-	-	-	-	-
Households	2 058	1 233	1 777	600	1 186	2 520	1 150	550	454
Payments for capital assets	3 274	1 888	337	50	3 797	1 580	7 562	105	160
Buildings and other fixed structures	2 347	-	-	-	-	-	-	-	-
Machinery and equipment	927	1 796	337	50	3 797	1 580	7 477	85	140
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	92	-	-	-	-	85	20	20
Payments for financial assets	21	-	-	-	-	-	-	-	-
Total	234 068	265 330	331 667	561 267	591 247	655 134	572 793	596 070	641 521

The sub-programme: Traditional Institutional Administration provides for the remuneration of *Izinduna*, support to traditional institutions and elections, installation and recognition of *Amakhosi*, dispute resolutions, among others. The increase from 2016/17 onward is for the remuneration of *Izinduna*, as detailed previously. The department received additional funds, as well as reprioritised its own budget in this regard. This also explains the high growth over the MTEF. It should be noted that no provision has been made for the payment of medical aid and tools of trade for *Izinduna* over the MTEF, due to funding pressures. The department has, however, made provisions for an 8 per cent increment for the remuneration of *Amakhosi*, and a 10 per cent increment for the remuneration of *Izinduna* over the 2018/19 MTEF, with these rates having been estimated by the department.

The sub-programme: Traditional Resource Administration provides for the implementation of financial controls in municipalities and capacity building programmes for *Amakhosi*. The decrease in the 2017/18 Adjusted Appropriation and over the MTEF was to fund the remuneration of *Izinduna*. The MTEF budget provides for seminars to be held on the Institutions of Traditional Leadership, capacity building programmes, among others.

The sub-programme: Rural Development Facilitation caters for TC training on Section 81.10 of the MSA, which provides that traditional leaders be appointed to participate in municipal councils, as well as co-operation and partnerships protocol workshops for TCs and ward committees. As explained, the decrease in the Adjusted Appropriation was to fund the remuneration of *Izinduna*. The growth over the MTEF mainly relates to inflationary increments.

The sub-programme: Traditional Land Administration provides for the revival and activation of support of Traditional Institutions to promote socio-economic programmes. The growth over the MTEF is due to inflationary increments.

Compensation of employees decreased significantly between the 2017/18 Main and the Adjusted Appropriation as the remuneration for *Izinduna* was moved from *Compensation of employees* to *Goods and services* as previously discussed. The 2018/19 MTEF provides for the filling of 14 critical vacant posts, such as Director: Urban Development and Assistant Director: Provincial House, among others. The verification of *Izinduna* is ongoing and the department only remunerates an *Induna* upon verification.

Spending against *Goods and services* relates to the sitting allowance of TC members, the remuneration of *Izinduna*, dispute resolutions, capacity building programmes, installation and recognition of *Amakhosi*, among others. The substantial increase in 2016/17 and 2017/18 was due to additional funds allocated for stipends paid to *Izinduna* budgeted against this category. The MTEF caters for the promotion of socio-

economic programmes (such as capacity building programmes of *Amakhosi*, rural housing, functionality of Houses and dispute resolutions), installation and recognition of *Amakhosi*, among others.

Transfers and subsidies to: Non-profit institutions relates to expenditure for the traditional levies and trust account moved from the various economic categories within Programme 4, as explained. The decrease in 2016/17 is due to the reclassification of specific items in line with audit findings, such as cultural events and installation of *Amakhosi* etc. The amounts in 2017/18 and over the MTEF cannot be determined at this stage, and have, therefore, not yet been moved to this category.

Transfers and subsidies to: Households caters for staff exit costs.

Buildings and other fixed structures caters for the construction of houses for *Amakhosi* in the prior years. The department shifted the budget for the construction of houses of *Amakhosi* to Programme 3 from 2018/19 onward, in order to align its functions, hence there is no budget allocation in this regard against this category over the MTEF.

Machinery and equipment caters for the purchase of office and computer equipment, etc.

Software and other intangible assets relates to Adobe Acrobat, Survey Markers software and Google Earth for engineers and surveyors.

Payments for financial assets relates to the write-off of staff debts.

Service delivery measures: Traditional Institutional Management

Table 11.23 illustrates the main service delivery measures pertaining to Programme 4.

The table includes non-sector measures only, and the outputs have been updated to align with the department's APP.

Table 11.23 : Service delivery measures: Traditional Institutional Management

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21
4.1.	Traditional Institutional Administration					
4.1.1	To enhance traditional institutional governance by supporting traditional institutions in the application of appropriate legislation, policies and frameworks	<ul style="list-style-type: none">No. of programmes implemented to support the recognition of traditional leadership	1	1	1	1
4.1.2	To enhance traditional institutional governance by supporting traditional institutions in the application of appropriate legislation, policies and frameworks	<ul style="list-style-type: none">Percentage of succession claims/disputes processed	100%	100%	100%	100%
4.1.3	Support platforms for sharing traditional cultures and indigenous knowledge at provincial and district levels	<ul style="list-style-type: none">Percentage of approved cultural platforms supported	100%	100%	100%	100%
		<ul style="list-style-type: none">No. of <i>Izizwe</i> with updated family trees	15	300	300	300
4.2.	Traditional Resource Administration					
4.2.1	Audit skills levels of traditional leadership institutions	<ul style="list-style-type: none">No. of Local Houses of Traditional Leaders supported with functionality	11	11	11	11
		<ul style="list-style-type: none">No. of Traditional Councils supported to perform their duties	257	257	257	257
		<ul style="list-style-type: none">No. of head counts conducted on <i>Izinduna</i>	4	4	4	4

9. Other programme information

9.1 Personnel numbers and costs

Table 11.24 provides detail of the department's approved establishment and personnel numbers, per level and programme. This category caters for the payment of CDWs, over the MTEF. The table also gives a breakdown of employee's dispensation classification. Details are provided in the paragraphs below.

Table 11.24 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		Pers. growth rate	Costs growth rate	% Costs of Total
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Addit. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs			
R thousands																			
Salary level																			
1 – 6	926	183 954	880	193 268	828	199 927	800	-	800	203 099	829	232 085	829	269 709	830	309 565	1.2%	15.1%	31.0%
7 – 10	427	183 767	700	225 881	540	255 482	376	282	658	249 265	780	294 504	798	333 129	800	362 644	6.7%	13.3%	37.4%
11 – 12	156	119 321	157	115 621	133	101 548	131	13	144	120 679	193	144 923	195	174 695	212	202 166	13.8%	18.8%	19.7%
13 – 16	57	65 573	62	62 108	65	67 217	60	2	62	73 219	79	89 822	80	101 485	80	108 931	8.9%	14.2%	11.2%
Other	84	5 061	93	10 420	125	5 971	94	4	98	7 732	70	4 855	70	5 307	70	5 782	(10.6%)	(9.2%)	0.7%
Total	1 650	557 676	1 892	607 298	1 691	630 145	1 461	301	1 762	653 994	1 951	766 189	1 972	884 325	1 992	989 088	4.2%	14.8%	100.0%
Programme																			
1. Administration	519	151 237	524	160 671	545	168 131	473	26	499	178 703	550	210 244	550	228 174	550	246 552	3.3%	11.3%	25.9%
2. Local Governance	598	161 148	602	180 463	575	194 979	547	4	551	197 426	626	237 462	627	294 537	626	335 713	4.3%	19.4%	32.7%
3. Development and Planning	226	101 964	212	109 684	177	98 736	176	7	183	103 793	217	121 927	237	151 448	258	179 514	12.1%	20.0%	17.2%
4. Traditional Institutional	307	143 327	554	156 480	394	168 299	265	264	529	174 072	558	196 556	558	210 166	558	227 309	1.8%	9.3%	24.2%
Total	1 650	557 676	1 892	607 298	1 691	630 145	1 461	301	1 762	653 994	1 951	766 189	1 972	884 325	1 992	989 088	4.2%	14.8%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	1 543	528 093	1 762	568 690	1 529	588 339	1 332	301	1 633	620 333	1 821	729 240	1 838	839 671	1 845	931 964	4.2%	14.5%	94.6%
Prof. nurses, staff nurses, nursing ass.	1	390	1	440	1	401	1	-	1	477	1	467	1	504	1	545	0.0%	4.5%	0.1%
Legal professionals	4	2 526	4	2 758	4	2 978	3	-	3	2 817	3	2 994	3	3 238	3	3 497	0.0%	7.5%	0.4%
Engineering professions and related	33	23 606	32	30 045	32	32 456	29	-	29	23 902	30	28 727	34	35 850	47	47 784	17.5%	26.0%	4.3%
Others (interns, EPWP, learnerships)	69	3 061	93	5 365	125	5 971	96	-	96	6 465	96	4 761	96	5 062	96	5 298	0.0%	(6.4%)	0.7%
Total	1 650	557 676	1 892	607 298	1 691	630 145	1 461	301	1 762	653 994	1 951	766 189	1 972	884 325	1 992	989 088	4.2%	14.8%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The number of personnel reflects a steady increase from 2014/15 to 2017/18, however, there was a significant decrease in these numbers in 2016/17 due to slower than anticipated filling of critical posts as a result of the difficulty in finding suitable candidates, as well as resignations. This resulted in the substantial growth for *Compensation of employees* from 2017/18 to 2020/21. The department provided for growth in *Compensation of employees* of 17 per cent in 2018/19, 15 per cent in 2019/20 and 12 per cent in 2020/21.

The substantial growth over the MTEF is due to the fact that the department anticipates filling 230 critical vacant posts, with 189 to be filled in 2018/19, 21 in 2019/20 and 20 in 2020/21. As a result of lengthy recruitment processes, the department will not be able to fill all the 230 critical posts in a year. Growth over the MTEF is above National Treasury's guidelines, and therefore adequately provides for existing staff, as well as the filling of posts.

Others (interns, EPWP, learnerships), includes the number of CDWs appointed to bridge the gap between government and the community, and strengthen integration and co-ordination of services provided by government and access to these services by communities. These officials are included against the respective salary levels (mainly level 6).

The payment of remuneration for *Izinduna* was initially budgeted under *Compensation of employees* in 2017/18, but has since been removed from this category and now fall under *Goods and services*. The 2017/18 Revised Estimate was restated to exclude both the number of *Izinduna* and the amount budgeted for their stipends from the above table.

9.2 Training

Table 11.25 gives a summary of departmental spending and information on training per programme over the seven-year period.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. As the percentage spent on training exceeds three per cent of department's baseline, this requirement is fully achieved.

Table 11.25 : Information on training: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	1 650	1 892	1 691	1 762	1 762	1 762	1 951	1 972	1 992
Number of personnel trained	1 656	1 639	1 810	1 620	1 620	1 620	1 620	1 620	1 709
of which									
Male	709	681	874	645	645	645	645	645	680
Female	947	958	936	975	975	975	975	975	1 029
Number of training opportunities	44	81	44	95	95	95	95	101	107
of which									
Tertiary	6	6	10	10	10	10	10	11	12
Workshops	14	20	8	22	22	22	22	23	24
Seminars	4	10	2	15	15	15	15	16	17
Other	20	45	24	48	48	48	48	51	54
Number of bursaries offered	66	67	53	80	80	80	80	84	89
Number of interns appointed	69	120	144	150	150	120	100	100	100
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	140	140	132	150	105	105	150	158	167
Payments on training by programme									
1. Administration	1 468	1 112	1 490	1 800	1 525	1 526	1 903	2 009	2 120
2. Local Governance	-	-	-	-	15	15	-	-	-
3. Development and Planning	60	-	-	-	-	-	-	-	-
4. Traditional Institutional Management	-	-	-	-	-	-	-	-	-
Total	1 528	1 112	1 490	1 800	1 540	1 541	1 903	2 009	2 120

The training budget is largely centralised under Programme 1 against the sub-programme: Corporate Services, Directorate: Human Capital Development, which aims to facilitate the management of all training undertaken in the department and to ensure that training is obtained from accredited training institutions.

ANNEXURE – VOTE 11: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Table 11.A : Details of departmental receipts: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	1 663	1 512	1 788	1 733	1 733	1 675	1 852	1 974	2 012
Sale of goods and services produced by department (excluding capital assets)	1 663	1 512	1 788	1 733	1 733	1 675	1 852	1 974	2 012
Sale by market establishments	1 068	1 003	990	1 000	1 000	876	1 122	1 241	1 239
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	595	509	798	733	733	799	730	733	773
Of which									
Commission	370	381	414	420	420	457	421	422	445
Tender documents	216	119	334	303	303	266	303	304	321
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	1 125	3	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	1 125	3	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	32	43	52	48	48	63	51	54	58
Interest	32	43	52	48	48	63	51	54	58
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	2 643	2 267	2 327	1 600	1 600	1 600	1 800	1 900	2 023
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	2 643	2 267	2 327	1 600	1 600	1 600	1 800	1 900	2 023
Transactions in financial assets and liabilities	19 133	8 763	596	1 037	1 037	1 450	1 109	1 182	1 288
Total	23 471	13 710	4 766	4 418	4 418	4 788	4 812	5 110	5 381

Table 11.B : Payments and estimates by economic classification: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	910 219	995 720	1 231 104	1 519 975	1 518 417	1 558 314	1 557 515	1 670 168	1 803 380
Compensation of employees	557 676	607 298	630 145	1 086 644	665 031	653 994	766 189	884 325	989 088
Salaries and wages	497 518	538 886	558 892	999 566	588 943	578 827	675 928	771 562	852 795
Social contributions	60 158	68 412	71 253	87 078	76 088	75 167	90 261	112 763	136 293
Goods and services	352 543	388 422	600 959	433 331	853 386	904 320	791 326	785 843	814 292
Administrative fees	1 255	1 800	1 983	2 428	3 023	3 196	2 709	2 822	3 081
Advertising	12 906	27 269	26 374	12 236	24 687	25 107	12 713	14 391	14 630
Minor assets	9 489	13 275	11 217	6 343	5 524	8 417	3 118	7 040	6 000
Audit cost: External	7 290	7 772	6 772	7 422	7 422	7 443	7 793	8 245	8 598
Bursaries: Employees	1 042	1 633	1 058	1 520	1 057	1 057	400	444	490
Catering: Departmental activities	2 071	3 058	1 464	7 076	5 229	5 264	6 638	6 051	6 140
Communication (G&S)	13 942	13 441	14 397	12 889	14 521	15 563	12 931	13 481	13 879
Computer services	23 897	41 156	42 164	37 255	41 616	39 517	59 676	43 640	42 131
Cons. & prof sev: Business and advisory services	141 645	114 605	159 222	166 973	231 033	216 393	157 421	152 961	144 510
Infrastructure and planning	-	-	342	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	5 477	7 731	11 091	6 084	6 061	6 098	8 295	8 810	9 343
Contractors	23 093	34 893	70 340	22 778	34 417	33 602	42 157	30 870	38 604
Agency and support / outsourced services	3 691	3 918	4 172	3 370	3 527	3 207	3 675	3 690	3 700
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	11 505	12 263	11 788	13 557	18 324	18 324	13 769	14 574	15 408
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	753	11 679	-	-	-	-	-	-
Consumable supplies	2 629	2 370	2 561	5 914	6 143	5 987	4 637	5 254	4 924
Consumable: Stationery, printing and office supplies	7 445	8 214	8 735	8 483	8 169	7 944	9 558	9 933	10 682
Operating leases	24 431	24 741	21 837	22 139	28 392	29 488	26 682	26 966	28 418
Property payments	23 020	26 572	29 785	38 845	32 160	30 209	40 201	31 245	31 348
Transport provided: Departmental activity	411	-	192	-	-	-	-	-	-
Travel and subsistence	31 756	34 632	44 651	43 976	48 690	49 334	36 959	41 590	44 443
Training and development	1 528	1 112	1 490	1 800	1 540	1 541	1 903	2 009	2 120
Operating payments	1 886	1 995	116 242	8 657	330 970	395 763	336 762	358 368	382 254
Venues and facilities	1 799	3 216	1 341	3 100	600	661	2 830	2 960	3 090
Rental and hiring	334	2 003	62	486	281	205	499	499	499
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	504 959	453 017	233 930	34 214	41 102	48 532	29 231	61 089	32 724
Provinces and municipalities	353 291	273 134	161 956	21 115	28 959	34 957	14 147	45 825	17 204
Provinces	230	228	422	215	259	257	497	525	554
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	230	228	422	215	259	257	497	525	554
Municipalities	353 061	272 906	161 534	20 900	28 700	34 700	13 650	45 300	16 650
Municipalities	353 061	272 906	161 534	20 900	28 700	34 700	13 650	45 300	16 650
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	20 231	6 150	14 550	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	20 231	6 150	14 550	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	33 254	45 100	10 100	-	-	-	-	-	-
Public corporations	33 254	45 100	10 100	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	33 254	45 100	10 100	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	83 121	114 811	32 651	-	-	-	-	-	-
Households	15 062	13 822	14 673	13 099	12 143	13 575	15 084	15 264	15 520
Social benefits	6 699	5 957	7 133	3 554	4 519	6 921	4 212	3 550	3 162
Other transfers to households	8 363	7 865	7 540	9 545	7 624	6 654	10 872	11 714	12 358
Payments for capital assets	67 364	69 351	138 331	31 037	67 207	60 617	92 336	45 765	54 963
Buildings and other fixed structures	41 689	43 086	110 922	20 674	42 144	42 144	43 054	31 672	38 794
Buildings	41 689	43 086	110 922	20 674	42 144	42 144	43 054	31 672	38 794
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	24 244	25 847	26 728	10 213	24 818	18 223	49 035	13 909	15 959
Transport equipment	15 044	8 761	19 391	-	6 582	6 582	2 000	5 019	6 700
Other machinery and equipment	9 200	17 086	7 337	10 213	18 236	11 641	47 035	8 890	9 259
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 431	418	681	150	245	250	247	184	210
Payments for financial assets	45	-	-	-	-	-	-	-	-
Total	1 482 587	1 518 088	1 603 365	1 585 226	1 626 726	1 667 463	1 679 082	1 777 022	1 891 067

Table 11.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	300 157	358 677	357 235	379 639	373 957	366 992	407 821	403 736	422 287
Compensation of employees	151 237	160 671	168 131	205 148	180 175	178 703	210 244	228 174	246 552
Salaries and wages	135 110	142 879	149 544	180 755	160 579	159 101	185 760	201 965	218 504
Social contributions	16 127	17 792	18 587	24 393	19 596	19 602	24 484	26 209	28 048
Goods and services	148 920	198 006	189 104	174 491	193 782	188 289	197 577	175 562	175 735
Administrative fees	570	818	848	810	1 031	1 106	1 093	1 138	1 201
Advertising	7 996	26 084	25 697	10 971	22 965	23 413	11 397	12 923	13 111
Minor assets	655	741	503	617	443	364	113	118	121
Audit cost: External	7 203	7 772	6 772	7 422	7 422	7 422	7 793	8 245	8 598
Bursaries: Employees	1 042	1 633	1 058	1 520	1 057	1 057	400	444	490
Catering: Departmental activities	239	248	113	88	410	375	191	193	196
Communication (G&S)	6 658	7 670	8 465	5 824	5 697	6 550	6 157	6 501	6 460
Computer services	23 341	38 717	39 964	36 251	40 661	38 566	58 454	42 469	40 893
Cons. & prof sev: Business and advisory services	4 105	8 335	5 706	5 656	9 125	5 776	7 323	5 926	3 429
Infrastructure and planning	-	-	342	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	5 477	7 731	9 326	5 384	5 305	5 305	5 690	6 003	6 327
Contractors	14 219	12 947	9 152	8 724	3 059	2 961	4 434	4 515	4 594
Agency and support / outsourced services	473	112	130	170	130	130	175	190	200
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	11 505	12 263	11 747	13 557	18 324	18 324	13 769	14 574	15 408
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 467	1 598	1 501	1 739	1 439	1 726	1 603	1 722	1 834
Consumable: Stationery, printing and office supplies	6 288	7 018	6 238	6 471	6 696	6 696	7 680	8 048	8 492
Operating leases	21 317	22 465	18 720	17 068	23 661	24 756	21 179	21 236	22 379
Property payments	22 723	26 270	28 973	37 707	31 117	29 235	38 802	29 673	29 691
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	10 774	11 805	11 894	11 524	12 748	12 107	8 186	8 360	8 874
Training and development	1 468	1 112	1 490	1 800	1 525	1 526	1 903	2 009	2 120
Operating payments	960	717	451	806	690	693	840	880	922
Venues and facilities	105	-	-	100	-	-	100	100	100
Rental and hiring	334	1 950	14	282	277	201	295	295	295
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	13 796	11 778	11 961	12 464	10 879	10 819	13 911	14 789	15 470
Provinces and municipalities	230	228	422	215	259	257	497	525	554
Provinces	230	228	422	215	259	257	497	525	554
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	230	228	422	215	259	257	497	525	554
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 381	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1 381	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	12 185	11 550	11 539	12 249	10 620	10 562	13 414	14 264	14 916
Social benefits	4 061	3 707	3 999	2 704	2 996	3 938	2 542	2 550	2 558
Other transfers to households	8 124	7 843	7 540	9 545	7 624	6 624	10 872	11 714	12 358
Payments for capital assets	17 914	12 104	11 224	1 736	11 104	9 242	33 220	6 162	7 894
Buildings and other fixed structures	-	936	4 112	-	-	-	-	-	-
Buildings	-	936	4 112	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	16 483	10 842	6 696	1 736	10 859	8 992	33 220	6 162	7 894
Transport equipment	15 044	8 761	3 906	-	6 582	6 582	2 000	5 019	6 700
Other machinery and equipment	1 439	2 081	2 790	1 736	4 277	2 410	31 220	1 143	1 194
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 431	326	416	-	245	250	-	-	-
Payments for financial assets	24	-	-	-	-	-	-	-	-
Total	331 891	382 559	380 420	393 839	395 940	387 053	454 952	424 687	445 651

Table 11.D : Payments and estimates by economic classification: Local Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	210 231	226 960	246 711	290 090	259 720	245 668	299 539	344 996	390 506
Compensation of employees	161 148	180 463	194 979	242 275	204 236	197 426	237 462	294 537	335 713
Salaries and wages	137 708	152 890	166 044	209 401	173 930	167 607	203 511	242 582	264 723
Social contributions	23 440	27 573	28 935	32 874	30 306	29 819	33 951	51 955	70 990
Goods and services	49 083	46 497	51 732	47 815	55 484	48 242	62 077	50 459	54 793
Administrative fees	143	359	472	341	355	374	384	375	433
Advertising	169	1 163	585	1 165	1 228	1 175	1 266	1 418	1 519
Minor assets	460	233	333	353	100	66	362	157	155
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	655	808	846	855	895	896	1 144	1 130	972
Communication (G&S)	6 392	4 145	4 797	3 007	4 932	5 068	3 334	3 383	3 626
Computer services	-	2	-	4	4	-	165	55	60
Cons. & prof sev: Business and advisory services	28 756	12 352	12 914	21 689	16 163	9 922	22 250	18 622	17 750
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	617	13 735	14 268	3 611	18 551	17 725	17 845	9 060	13 011
Agency and support / outsourced services	2 115	1 386	2 142	1 200	1 595	1 275	1 500	1 500	1 500
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	304	205	279	540	503	264	48	51	54
Consumable: Stationery, printing and office supplies	422	611	2 007	668	518	471	496	541	652
Operating leases	1 141	709	1 311	1 000	1 157	1 169	1 253	1 319	1 388
Property payments	2	-	-	-	-	98	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	7 240	8 337	9 298	9 403	8 625	8 881	8 988	9 729	10 478
Training and development	-	-	-	-	15	15	-	-	-
Operating payments	447	646	1 091	1 279	743	743	612	659	705
Venues and facilities	220	1 753	1 341	2 500	100	100	2 230	2 260	2 290
Rental and hiring	-	53	48	200	-	-	200	200	200
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6 698	431	6 423	150	1 196	1 289	70	450	150
Provinces and municipalities	6 000	-	5 500	-	1 000	1 000	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	6 000	-	5 500	-	1 000	1 000	-	-	-
Municipalities	6 000	-	5 500	-	1 000	1 000	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	698	431	923	150	196	289	70	450	150
Social benefits	698	431	923	150	196	259	70	450	150
Other transfers to households	-	-	-	-	-	30	-	-	-
Payments for capital assets	448	1 100	996	1 145	1 196	1 082	1 130	205	170
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	448	1 100	996	1 145	1 196	1 082	1 130	205	170
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	448	1 100	996	1 145	1 196	1 082	1 130	205	170
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	217 377	228 491	254 130	291 385	262 112	248 039	300 739	345 651	390 826

Table 11.E : Payments and estimates by economic classification: Development and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	254 237	251 149	325 309	289 629	298 476	294 620	286 074	326 021	349 680
Compensation of employees	101 964	109 684	98 736	122 072	104 987	103 793	121 927	151 448	179 514
Salaries and wages	92 927	99 655	88 926	108 959	94 060	93 198	108 246	136 234	163 007
Social contributions	9 037	10 029	9 810	13 113	10 927	10 595	13 681	15 214	16 507
Goods and services	152 273	141 465	226 573	167 557	193 489	190 827	164 147	174 573	170 166
Administrative fees	525	591	609	593	860	944	688	743	805
Advertising	4 741	22	92	100	494	519	50	50	-
Minor assets	7 934	12 040	10 344	5 015	4 615	5 537	2 379	6 373	5 351
Audit cost: External	87	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 177	2 002	499	1 754	704	983	1 960	2 082	2 201
Communication (G&S)	807	1 158	1 105	1 124	599	828	1 079	1 145	1 201
Computer services	556	2 437	2 200	-	11	11	-	-	-
Cons. & prof sev: Business and advisory services	108 784	93 918	140 484	127 667	156 632	151 606	126 048	127 557	122 426
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	8 236	8 204	43 194	8 037	7 486	7 590	12 163	12 776	13 077
Agency and support / outsourced services	1 103	2 420	1 900	2 000	1 802	1 802	2 000	2 000	2 000
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	41	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	753	11 679	-	-	-	-	-	-
Consumable supplies	663	559	591	3 112	3 683	3 665	2 198	2 771	2 341
Consumable: Stationery, printing and office supplies	686	522	480	701	313	253	755	699	859
Operating leases	1 240	934	1 196	1 535	1 248	1 274	1 600	1 669	1 756
Property payments	295	301	812	1 063	909	728	1 216	1 389	1 464
Transport provided: Departmental activity	411	-	192	-	-	-	-	-	-
Travel and subsistence	13 061	13 683	10 950	13 721	12 998	13 936	10 802	13 975	15 224
Training and development	60	-	-	-	-	-	-	-	-
Operating payments	433	458	205	635	635	651	709	744	761
Venues and facilities	1 474	1 463	-	500	500	500	500	600	700
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	399 286	336 300	186 065	21 000	27 841	33 904	14 100	45 300	16 650
Provinces and municipalities	347 061	272 906	156 034	20 900	27 700	33 700	13 650	45 300	16 650
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	347 061	272 906	156 034	20 900	27 700	33 700	13 650	45 300	16 650
Municipalities	347 061	272 906	156 034	20 900	27 700	33 700	13 650	45 300	16 650
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	18 850	6 150	14 550	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	18 850	6 150	14 550	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	33 254	45 100	10 100	-	-	-	-	-	-
Public corporations	33 254	45 100	10 100	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	33 254	45 100	10 100	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	11 536	4 947	-	-	-	-	-	-
Households	121	608	434	100	141	204	450	-	-
Social benefits	121	608	434	100	141	204	450	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	45 728	54 259	125 774	28 106	51 110	48 713	50 424	39 293	46 739
Buildings and other fixed structures	39 342	42 150	106 810	20 674	42 144	42 144	43 054	31 672	38 794
Buildings	39 342	42 150	106 810	20 674	42 144	42 144	43 054	31 672	38 794
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 386	12 109	18 699	7 282	8 966	6 569	7 208	7 457	7 755
Transport equipment	-	-	15 485	-	-	-	-	-	-
Other machinery and equipment	6 386	12 109	3 214	7 282	8 966	6 569	7 208	7 457	7 755
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	265	150	-	-	162	164	190
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	699 251	641 708	637 148	338 735	377 427	377 237	350 598	410 614	413 069

Table 11.F : Payments and estimates by economic classification: Traditional Institutional Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	145 594	158 934	301 849	560 617	586 264	651 034	564 081	595 415	640 907
Compensation of employees	143 327	156 480	168 299	517 149	175 633	174 072	196 556	210 166	227 309
Salaries and wages	131 773	143 462	154 378	500 451	160 374	158 921	178 411	190 781	206 561
Social contributions	11 554	13 018	13 921	16 698	15 259	15 151	18 145	19 385	20 748
Goods and services	2 267	2 454	133 550	43 468	410 631	476 962	367 525	385 249	413 598
Administrative fees	17	32	54	684	777	772	544	566	642
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	440	261	37	358	366	2 450	264	392	373
Audit cost: External	-	-	-	-	-	21	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	6	4 379	3 220	3 010	3 343	2 646	2 771
Communication (G&S)	85	468	30	2 934	3 293	3 117	2 361	2 452	2 592
Computer services	-	-	-	1 000	940	940	1 057	1 116	1 178
Cons. & prof sev: Business and advisory services	-	-	118	11 961	49 113	49 089	1 800	856	905
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	1 765	700	756	793	2 605	2 807	3 016
Contractors	21	7	3 726	2 406	5 321	5 326	7 715	4 519	7 922
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	195	8	190	523	518	332	788	710	695
Consumable: Stationery, printing and office supplies	49	63	10	643	642	524	627	645	679
Operating leases	733	633	610	2 536	2 326	2 289	2 650	2 742	2 895
Property payments	-	1	-	75	134	148	183	183	193
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	681	807	12 509	9 328	14 319	14 410	8 983	9 526	9 867
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	46	174	114 495	5 937	328 902	393 676	334 601	356 085	379 866
Venues and facilities	-	-	-	-	-	61	-	-	-
Rental and hiring	-	-	-	4	4	4	4	4	4
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	85 179	104 508	29 481	600	1 186	2 520	1 150	550	454
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	83 121	103 275	27 704	-	-	-	-	-	-
Households	2 058	1 233	1 777	600	1 186	2 520	1 150	550	454
Social benefits	1 819	1 211	1 777	600	1 186	2 520	1 150	550	454
Other transfers to households	239	22	-	-	-	-	-	-	-
Payments for capital assets	3 274	1 888	337	50	3 797	1 580	7 562	105	160
Buildings and other fixed structures	2 347	-	-	-	-	-	-	-	-
Buildings	2 347	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	927	1 796	337	50	3 797	1 580	7 477	85	140
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	927	1 796	337	50	3 797	1 580	7 477	85	140
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	92	-	-	-	-	85	20	20
Payments for financial assets	21	-	-	-	-	-	-	-	-
Total	234 068	265 330	331 667	561 267	591 247	655 134	572 793	596 070	641 521

Table 11.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 3: Development and Planning)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons. & prof sev: Business and advisory services	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 471	4 119	3 667	3 338	3 338	3 338	4 552	-	-

Table 11.H : Summary of transfers to local government

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
A KZN2000 eThekweni	1 000	-	-	-	1 000	1 000	1 500	1 500	1 500
Total: Ugu Municipalities	15 810	30 250	32 500	1 400	1 400	1 400	1 400	1 500	2 000
B KZN212 uMdoni	-	14 000	24 000	-	-	-	1 000	1 000	-
B KZN213 uMzombe	4 500	8 000	-	-	-	-	-	-	500
B KZN214 uMuziwabantu	-	3 000	2 000	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	7 000	-	1 100	1 000	1 000	1 000	-	-	1 000
C DC21 Ugu District Municipality	4 310	5 250	5 400	400	400	400	400	500	500
Total: uMgungundlovu Municipalities	76 515	6 000	29 829	2 400	2 400	2 400	1 000	12 150	2 750
B KZN221 uMshwathi	-	-	-	1 400	1 400	1 400	-	-	-
B KZN222 uMngeni	40 284	-	-	-	-	-	500	1 000	-
B KZN223 Mpofana	5 000	3 000	-	-	-	-	-	10 000	-
B KZN224 iMpendle	-	-	-	-	-	-	-	250	500
B KZN225 Msunduzi	14 877	-	14 415	1 000	1 000	1 000	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	250	750
B KZN227 Richmond	-	3 000	-	-	-	-	-	250	-
C DC22 uMgungundlovu District Municipality	16 354	-	15 414	-	-	-	500	400	1 500
Total: uThukela Municipalities	20 915	42 500	29 810	11 200	11 550	11 550	2 300	900	400
B KZN235 Okhahlamba	12 865	29 000	13 610	7 500	9 000	9 000	-	500	-
B KZN237 iNkosi Langalibalele	3 000	12 500	3 500	1 300	1 300	1 300	1 000	-	-
B KZN238 Alfred Duma	4 800	750	1 500	2 100	1 000	1 000	1 000	-	-
C DC23 uThukela District Municipality	250	250	11 200	300	250	250	300	400	400
Total: uMzinyathi Municipalities	49 935	80 250	17 445	300	1 050	1 050	450	11 450	1 250
B KZN241 eNdumeni	5 000	3 000	2 000	-	750	750	-	10 000	-
B KZN242 Nquthu	13 970	14 000	8 611	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	25 215	58 000	6 434	-	-	-	-	-	750
C DC24 uMzinyathi District Municipality	5 750	5 250	400	300	300	300	450	1 450	500
Total: Amajuba Municipalities	39 000	7 250	5 750	1 700	1 400	1 400	400	900	900
B KZN252 Newcastle	5 000	-	-	-	-	-	-	250	-
B KZN253 eMadlangeni	-	2 000	5 000	-	1 000	1 000	-	-	500
B KZN254 Dannhauser	33 000	-	-	400	400	400	-	250	-
C DC25 Amajuba District Municipality	1 000	5 250	750	1 300	-	-	400	400	400
Total: Zululand Municipalities	22 350	20 500	200	2 500	5 500	5 500	2 300	3 150	2 400
B KZN261 eDumbe	7 000	-	200	2 500	1 000	1 000	-	-	-
B KZN262 uPhongolo	5 000	14 500	-	-	4 500	4 500	-	1 000	-
B KZN263 Abaqulusi	9 100	5 750	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	1 000	500	1 000
B KZN266 Ulundi	1 000	-	-	-	-	-	1 000	-	1 000
C DC26 Zululand District Municipality	250	250	-	-	-	-	300	1 650	400
Total: uMkhanyakude Municipalities	6 050	13 500	1 100	1 000	1 000	1 000	1 400	1 000	1 000
B KZN271 uMhlabyalingana	-	13 500	-	1 000	1 000	1 000	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	1 000	-
B KZN275 Mtubatuba	-	-	-	-	-	-	650	-	-
B KZN276 Big Five Hlabisa	-	-	1 100	-	-	-	750	-	-
C DC27 uMkhanyakude District Municipality	6 050	-	-	-	-	-	-	-	1 000
Total: King Cetshwayo Municipalities	14 355	15 850	3 400	400	2 900	2 900	900	350	1 950
B KZN281 uMfolozi	4 855	3 000	3 000	-	2 000	2 000	600	-	-
B KZN282 uMhlathuze	7 000	-	-	-	-	-	-	-	1 000
B KZN284 uMlalazi	-	12 600	-	-	500	500	-	-	-
B KZN285 Mthonjaneni	500	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	500
C DC28 King Cetshwayo District Municipality	2 000	250	400	400	400	400	300	350	450
Total: iLembe Municipalities	40 131	18 250	-	-	500	500	1 000	1 250	-
B KZN291 Mandeni	500	8 000	-	-	500	500	-	1 250	-
B KZN292 KwaDukuza	8 000	-	-	-	-	-	1 000	-	-
B KZN293 Ndwedwe	13 000	10 000	-	-	-	-	-	-	-
B KZN294 Maphumulo	7 700	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	10 931	250	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	67 000	38 556	41 500	-	-	6 000	1 000	11 150	2 500
B KZN433 Greater Kokstad	8 000	3 000	12 000	-	-	6 000	-	10 250	1 000
B KZN434 uBuhlebezwe	40 250	24 956	-	-	-	-	1 000	250	-
B KZN435 uMzimkhulu	12 500	2 000	18 000	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	6 000	7 500	1 500	-	-	-	-	250	1 000
C DC43 Harry Gwala District Municipality	250	1 100	10 000	-	-	-	-	400	500
Unallocated	-	-	-	-	-	-	-	-	-
Total	353 061	272 906	161 534	20 900	28 700	34 700	13 650	45 300	16 650

Table 11.I : Transfers to local government - Massification programme (Including electrification projects)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	4 060	16 000	-	-	-	-	-	-	-
B KZN212 uMdoni	-	8 000	-	-	-	-	-	-	-
B KZN213 uMzumbhe	-	8 000	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	4 060	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	20 964	-	-	-	-	-	-	-	-
B KZN222 uMngeni	583	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	4 277	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	16 104	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	30 000	6 110	-	-	-	-	-	-
B KZN235 Okhahlamba	-	20 000	6 110	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	10 000	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	29 185	72 000	15 045	-	-	-	-	-	-
B KZN242 Nquthu	13 970	14 000	8 611	-	-	-	-	-	-
B KZN245 uMvoti	15 215	58 000	6 434	-	-	-	-	-	-
Total: Amajuba Municipalities	8 000	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	8 000	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	7 000	15 000	-	-	-	-	-	-	-
B KZN261 eDumbe	7 000	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	10 000	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	5 000	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	10 000	-	-	-	-	-	-	-
B KZN271 uMhlabyalingana	-	10 000	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	25 931	13 000	-	-	-	-	-	-	-
B KZN291 Mandeni	-	8 000	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	13 000	5 000	-	-	-	-	-	-	-
B KZN294 Maphumulo	3 000	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	9 931	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	24 315	24 956	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	20 815	24 956	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	119 455	180 956	21 155	-	-	-	-	-	-

Table 11.J : Transfers to local government - Construction of TSCs and CSCs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	7 500	7 500	7 500	7 500	-	-	-
B KZN235 Okhahlamba	-	-	7 500	7 500	7 500	7 500	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	5 000	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	5 000	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	5 000	-	7 500	7 500	7 500	7 500	-	-	-

Table 11.K: Transfers to local government - Small Town Rehabilitation programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	9 000	26 000	-	-	-	-	-	-
B KZN212 uMdoni	-	6 000	24 000	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	3 000	2 000	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	5 000	6 000	8 889	-	-	-	-	10 000	-
B KZN223 Mpofana	5 000	3 000	-	-	-	-	-	10 000	-
B KZN225 Msunduzi	-	-	8 889	-	-	-	-	-	-
B KZN227 Richmond	-	3 000	-	-	-	-	-	-	-
Total: uThukela Municipalities	11 100	11 000	2 000	-	1 500	1 500	-	-	-
B KZN235 Okhahlamba	8 100	9 000	-	-	1 500	1 500	-	-	-
B KZN237 iNkosi Langalibalele	3 000	2 000	2 000	-	-	-	-	-	-
Total: uMzinyathi Municipalities	15 000	3 000	2 000	-	750	750	-	10 000	-
B KZN241 eNdumeni	5 000	3 000	2 000	-	750	750	-	10 000	-
B KZN245 uMvoti	10 000	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	25 000	2 000	5 000	-	1 000	1 000	-	-	-
B KZN253 eMadlangeni	-	2 000	5 000	-	1 000	1 000	-	-	-
B KZN254 Dannhauser	25 000	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	7 500	4 500	-	-	4 500	4 500	-	-	-
B KZN262 uPhongolo	-	4 500	-	-	4 500	4 500	-	-	-
B KZN263 Abaqulusi	7 500	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	4 800	3 500	-	-	-	-	-	-	-
B KZN271 uMhlabyalingana	-	3 500	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	4 800	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	6 000	3 000	-	2 000	2 000	-	-	-
B KZN281 uMfolozi	-	3 000	3 000	-	2 000	2 000	-	-	-
B KZN284 uMlalazi	-	3 000	-	-	-	-	-	-	-
Total: iLembe Municipalities	7 700	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	3 000	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	4 700	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	33 700	5 000	30 000	-	-	-	-	10 000	-
B KZN433 Greater Kokstad	8 000	3 000	12 000	-	-	-	-	10 000	-
B KZN434 uBuhlebezwe	17 700	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	8 000	2 000	18 000	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	109 800	50 000	76 889	-	9 750	9 750	-	30 000	-

Table 11.L : Transfers to local government - Disaster Management programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	5 000	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	5 000	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	5 000	5 000	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	5 000	5 000	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	5 000	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	5 000	-	-	-	-	-	-	-
Total: Zululand Municipalities	1 000	-	-	-	-	-	-	-	-
B KZN266 Ulundi	1 000	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	1 000	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	1 000	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	9 100	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	9 100	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	6 000	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	6 000	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	7 000	24 100	-	-	-	6 000	-	-	-

Table 11.M : Transfers to local government - Corridor Development programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	9 000	-	-	-	-	-	-	-	-
B KZN213 uMzombe	4 000	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	5 000	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	50 301	-	5 526	-	-	-	-	-	-
B KZN222 uMngeni	39 701	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	10 600	-	5 526	-	-	-	-	-	-
Total: uThukela Municipalities	9 565	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	4 765	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	4 800	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	500	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	500	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	5 000	-	-	-	-	-	-	-	-
B KZN252 Newcastle	5 000	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	5 000	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	5 000	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	6 000	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	6 000	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	5 000	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	5 000	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	1 735	-	-	-	-	-	-	-	-
B KZN434 uBuhlebezwe	1 735	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	92 101	-	5 526	-	-	-	-	-	-

Table 11.N : Transfers to local government - Schemes Support programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	500	-	-	1 000	1 000	1 000	-	1 000	-
B KZN212 uMdoni	-	-	-	-	-	-	-	1 000	-
B KZN213 uMzombe	500	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	-	-	-	1 000	1 000	1 000	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	2 000	2 000	2 000	500	750	-
B KZN221 uMshwathi	-	-	-	1 000	1 000	1 000	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	500	-	-
B KZN224 iMpendle	-	-	-	-	-	-	-	250	-
B KZN225 Msunduzi	-	-	-	1 000	1 000	1 000	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	250	-
B KZN227 Richmond	-	-	-	-	-	-	-	250	-
Total: uThukela Municipalities	-	-	-	2 000	2 000	2 000	-	500	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	500	-
B KZN237 iNkosi Langalibalele	-	-	-	1 000	1 000	1 000	-	-	-
B KZN238 Alfred Duma	-	-	-	1 000	1 000	1 000	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	500	-
B KZN252 Newcastle	-	-	-	-	-	-	-	250	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	250	-
Total: Zululand Municipalities	350	-	-	1 000	1 000	1 000	2 000	1 500	-
B KZN261 eDumbe	-	-	-	1 000	1 000	1 000	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	1 000	-
B KZN263 Abaqulusi	350	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	1 000	500	-
B KZN266 Ulundi	-	-	-	-	-	-	1 000	-	-
Total: uMkhanyakude Municipalities	-	-	-	1 000	1 000	1 000	1 400	1 000	-
B KZN271 uMhlabyalingana	-	-	-	1 000	1 000	1 000	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	1 000	-
B KZN275 Mtubatuba	-	-	-	-	-	-	650	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	750	-	-
Total: King Cetshwayo Municipalities	1 355	-	-	-	-	-	600	-	-
B KZN281 uMfolozi	855	-	-	-	-	-	600	-	-
B KZN285 Mthonjaneni	500	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	500	-	-	-	-	-	-	250	-
B KZN291 Mandeni	500	-	-	-	-	-	-	250	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	750	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	250	-
B KZN434 uBuhlebezwe	-	-	-	-	-	-	-	250	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	250	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	2 705	-	-	7 000	7 000	7 000	4 500	6 250	-

Table 11.O : Transfers to local government - Development Planning and Shared Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	250	250	400	-	-	-	400	500	500
C DC21 Ugu District Municipality	250	250	400	-	-	-	400	500	500
Total: uMgungundlovu Municipalities	250	-	-	-	-	-	500	400	500
C DC22 uMgungundlovu District Municipality	250	-	-	-	-	-	500	400	500
Total: uThukela Municipalities	250	250	2 000	1 700	550	550	300	400	400
B KZN237 iNkosi Langalibalele	-	-	400	300	300	300	-	-	-
B KZN238 Alfred Duma	-	-	400	1 100	-	-	-	-	-
C DC23 uThukela District Municipality	250	250	1 200	300	250	250	300	400	400
Total: uMzinyathi Municipalities	250	250	400	300	300	300	450	450	500
C DC24 uMzinyathi District Municipality	250	250	400	300	300	300	450	450	500
Total: Amajuba Municipalities	1 000	250	750	1 300	-	-	400	400	400
C DC25 Amajuba District Municipality	1 000	250	750	1 300	-	-	400	400	400
Total: Zululand Municipalities	250	250	200	1 500	-	-	300	400	400
C DC26 Zululand District Municipality	250	250	-	-	-	-	300	400	400
Total: uMkhanyakude Municipalities	250	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	250	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	1 000	250	400	400	400	400	300	350	450
C DC28 King Cetshwayo District Municipality	1 000	250	400	400	400	400	300	350	450
Total: iLembe Municipalities	1 000	250	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	1 000	250	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	250	1 100	400	-	-	-	-	400	500
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	400	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	250	1 100	-	-	-	-	-	400	500
Unallocated	-	-	-	-	-	-	-	-	-
Total	4 750	2 850	4 550	5 200	1 250	1 250	2 650	3 300	3 650

Table 11.P : Transfers to local government - Pounds Act/Sustainable Living Exhibition

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	1 000	-	-	-	-	-	1 500	1 500	1 500
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	1 000	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	1 000	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	2 000	-	-	-	-	-	1 500	1 500	1 500

Table 11.Q : Transfers to local government - Operational Support for TSCs and CSCs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	1 250	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	500	-	-	-	-	-	-	-
B KZN238 Alfred Duma	-	750	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	1 250	750	-	-	-	-	-	-	-
B KZN263 Abaqulusi	1 250	750	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	4 000	500	-	-	-	-	-	-	-
B KZN281 uMfolozi	4 000	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	500	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	5 000	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	5 000	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	7 500	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	7 500	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	5 250	15 000	-	-	-	-	-	-	-

Table 11.R : Transfers to local government- Municipal Excellence awards

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	2 000	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	2 000	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	2 000	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	1 000	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	1 000	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	1 000	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	1 000	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	5 000	-	-	-	-	-	-	-	-

Table 11.S : Transfers to local government - Consolidation and migration of records management system

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	200	-	-	-	-	-	-
B KZN216 Ray Nkonyeni			200						
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	400	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	200	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	200	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	200	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	200	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	200	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	200	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	1 000	-	-	-	-	-	-

Table 11.T : Transfers to local government - Work study exercises at merged municipalities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	700	-	-	-	-	-	-
B KZN216 Ray Nkonyeni			700						
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	1 400	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	700	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	700	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	700	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	700	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	700	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	700	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	3 500	-	-	-	-	-	-

Table 11.U : Transfers to local government - Promulgation of municipal by-laws and Mandela Day Marathon (uMgungundlovu)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	200	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	-	-	200	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	5 414	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	5 414	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	400	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	200	-	-	-	-	-	-
B KZN238 Alfred Duma	-	-	200	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	200	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	200	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	200	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	200	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	6 414	-	-	-	-	-	-

Table 11.V : Transfers to local government - Spatial Development Framework Support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	400	400	400	1 000	-	1 500
B KZN212 uMdoni	-	-	-	-	-	-	1 000	-	-
B KZN213 uMzumbane	-	-	-	-	-	-	-	-	500
B KZN216 Ray Nkonyeni	-	-	-	-	-	-	-	-	1 000
C DC21 Ugu District Municipality	-	-	-	400	400	400	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	400	400	400	-	1 000	2 250
B KZN221 uMshwathi	-	-	-	400	400	400	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	1 000	-
B KZN224 iMpindle	-	-	-	-	-	-	-	-	500
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	750
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	1 000
Total: uThukela Municipalities	-	-	-	-	-	-	2 000	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	1 000	-	-
B KZN238 Alfred Duma	-	-	-	-	-	-	1 000	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	1 000	750
B KZN245 uMvoti	-	-	-	-	-	-	-	-	750
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	1 000	-
Total: Amajuba Municipalities	-	-	-	400	400	400	-	-	500
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	500
B KZN254 Dannhauser	-	-	-	400	400	400	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	1 250	2 000
B KZN265 Nongoma	-	-	-	-	-	-	-	-	1 000
B KZN266 Ulundi	-	-	-	-	-	-	-	-	1 000
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	1 250	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	1 000
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	1 000
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	1 500
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	1 000
B KZN286 Nkandla	-	-	-	-	-	-	-	-	500
Total: iLembe Municipalities	-	-	-	-	-	-	1 000	1 000	-
B KZN291 Mandeni	-	-	-	-	-	-	-	1 000	-
B KZN292 KwaDukuza	-	-	-	-	-	-	1 000	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	1 000	-	2 000
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	1 000
B KZN434 uBuhlebezwe	-	-	-	-	-	-	1 000	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	1 000
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	-	1 200	1 200	1 200	5 000	4 250	11 500

Table 11.W : Transfers to local government - Drought relief interventions

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2017/18	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	5 000	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	5 000	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	10 000	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	10 000	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	10 000	-	-	-	-	-	-
C DC23 uThukela District Municipality	-	-	10 000	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	10 000	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	10 000	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	35 000	-	-	-	-	-	-

Table 11.X : Transfers to local government - GIS precinct support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2017/18	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	500	500	-	-	-
B KZN284 uMlalazi	-	-	-	-	500	500	-	-	-
Total: iLembe Municipalities	-	-	-	-	500	500	-	-	-
B KZN291 Mandeni	-	-	-	-	500	500	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	1 000	1 000	-	-	-

Table 11.Y : Transfers to local government - Integrated Youth Development Summit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2017/18	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	-	-	-	1 000	1 000	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	1 000	1 000	-	-	-

VOTE 12

Transport

Operational budget	R10 060 069 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R10 062 047 000
Responsible MEC	MEC for Transport and Community Safety and Liaison
Administering department	Transport
Accounting officer	Head: Transport

1. Overview

Vision

The department's vision is: *Prosperity through mobility.*

Mission statement

The department's mission is: *To strive to provide the public with mobility by an affordable transportation system that is safe, integrated, regulated and accessible to meet the developmental needs of our province.*

Strategic objectives

Strategic policy direction: The department's strategic policy direction is to support rural development, poverty alleviation and job creation as the department builds roads and bridges, provides safe integrated public transport systems, and manages traffic and the safety of all road users.

The department has set the following goals in order to achieve this:

- Provide mobility and accessibility within the province to achieve 32 890 kilometres of maintained road infrastructure by 2020.
- Promote and develop an integrated transportation system through developing three Integrated Public Transport Networks (IPTNs) operational plans.
- Create and promote a safe road environment by decreasing road fatalities by 30 per cent (545/1 819) by 2020.
- Promote sustainable economic transformation through developing two empowerment programmes.

Core functions

Turning the vision of the department into reality can only be achieved by focusing the attention and energy of all employees and relevant stakeholders on the performance of its core functions, namely:

Construct, maintain and repair the provincial road network

The department's mandate is to construct and maintain a balanced road network that meets the mobility needs of the citizens of KZN, and supports the national and provincial growth and development plans and strategies.

Plan, regulate and provide an integrated transportation system

The department's mandate is to regulate public transport and ensure access to safe, efficient and affordable public transport. The department is further mandated to facilitate development in the freight transport industry and the minimisation of negative externalities resultant from the transport of freight.

Manage road traffic

The department's mandate is to create a safe road environment, through the reduction of road accidents. The main services rendered include road traffic enforcement, road safety education, and the registration and licensing of vehicles.

Legislative mandates

The key legislative mandates of the department are derived mainly from the following legislation:

- Administrative Adjudication of Road Traffic Offences Act (Act No. 46 of 1998)
- Annual Division of Revenue Act (DORA)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Criminal Procedure Act (Act No. 51 of 1977)
- Cross-border Road Transport Act (Act No. 4 of 1998)
- DPSA's Directive on Consultation of Departments' Organisational Structure (2015)
- Employment Equity Act (Act No. 55 of 1998)
- Inter-governmental Relations (IGR) Framework Act (Act No. 13 of 2005)
- KZN Provincial Minibus Taxi Act (Act No. 4 of 1998). Only Chapter 10 is applicable, as Act has been repealed.
- KZN Provincial Roads Act (Act No. 4 of 2001)
- KZN Provincial Supply Chain Management (SCM) Policy Framework (2006)
- KZN Road Traffic Act (Act No. 7 of 1997)
- National Land Transport Act (Act No. 5 of 2009)
- National Land Transport Strategic Framework (2017-2022)
- National Road Traffic Act (Act No. 93 of 1996, as amended)
- National Road Safety Strategy (2016-2030), 1 April 2017
- National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) – First Edition (October 2015)
- Occupational Health and Safety Amendment Act (Act No. 181 of 1993)
- Provincial Growth and Development Plan/Strategy (PGDP/S) (2018)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Regulations
- Road Traffic Act (Act No. 29 of 1989)
- Road Traffic Management Corporation Act (Act No. 20 of 1999)
- South African Revenue Services (SARS)

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Transport infrastructure

Nearly 71 per cent of the department's budget is allocated toward the construction, upgrading and maintenance of road infrastructure in line with the goal of providing a balanced road network that meets the mobility needs of KZN citizens, and providing a logistics platform for South Africa's global trade, in accordance with the NDP and PGDP/S.

Departmental programmes like Operation KuShunquthuli and the African Renaissance Roads Upgrading Programme (ARRUP) continued to focus on road infrastructure development in rural areas. The following list details some projects that were completed and some that were in progress in 2017/18:

- Main Road P577, located from Duffs Road to KwaDabeka, comprising the construction of 16.5 kilometres was completed in 2017/18, and includes the Bus Rapid Transit (BRT) project.
- Main Road P700 corridor, located from Ulundi to Empangeni, comprising the upgrade of 93.5 kilometres from gravel to blacktop surface. Of this, 84.5 kilometres have been constructed to date, with five kilometres of blacktop surface constructed in 2017/18.
- Main Road P127, located from Impendle to Himeville, comprising the upgrade of 56 kilometres from gravel road to blacktop surface. To date, 32 kilometres have been upgraded, with three kilometres upgraded in 2017/18, as planned.
- Main Road P443 extends from the intersection with road P522/2 and P522/1, in the Ndumo area, and along the Swaziland border. The project entails the rehabilitation and upgrading of 23.26 kilometres. The road forms part of the Inkululeko development projects. The planned widening of the road shoulders, the blasting and widening of narrow sections, the construction of a new base layer and a black top weatherproof surfacing of 8 400 square metres were achieved in 2017/18.
- The Mboza Pongola vehicle bridge is a new bridge over the Pongola River. The bridge site is located in the uMhlabuyalingana Municipality, and was completed in 2017/18.
- The department commenced with the planning of the cross-border crime fighting project commissioned by the Premier, for which R2 million was allocated in 2016/17 for the planning of the project. A further R48 million was allocated in 2017/18 for the construction of the actual structure. It was agreed by the Provincial Executive Council that this project should be undertaken by the province but with the understanding that an MOA will be entered into with the Department of Home Affairs who is responsible for the border infrastructure, so that the funds can be recovered. As an MOA has not yet been signed, the project cannot proceed to the construction phase and therefore the department anticipates that the R48 million allocated in 2017/18 will remain unspent at the end of the year. The department is liaising with the OTP for an update on the signing of the MOA.

Transport operations

The construction of the uMzimkhulu Public Transport Facility is currently out to tender and the closing date for the tender was 10 January 2018. It is anticipated that the appointment of a contractor will take place in March 2018. The project was delayed due to delays with the procurement process as the tender specifications had to be reconfigured in line with the new Preferential Procurement Regulations.

Also, the department negotiated 11 empowerment contracts with bus operators to include previously disadvantaged people to be able to participate in the industry.

Learner transport services

In 2017/18, the department had an allocation of R195.300 million toward learner transport services, and caters for 47 740 learners from 320 schools. The increase in demand for the services has placed tremendous pressure on the 2017/18 budget. Discussions were finalised to move this function back to Department of Education (DOE) from 2018/19.

Road safety

The department continued to take steps to create and promote a safe road environment with the aim of decreasing road fatalities by 30 per cent by 2020. In order to achieve this, the department continued to invest in road safety education programmes to provide critical skills and tools that can assist in facilitating attitude and behavioural change among road users. The department achieved the following:

- Reached 270 000 school children and 1 176 schools by implementing learner education projects.
- Reached 73 000 adults through the implementation of adult education projects.
- Conducted nine major awareness programmes.
- Created 174 employment opportunities through the school crossing patrol services project.

Expanded Public Works Programme (EPWP)

The department created 72 200 jobs using EPWP principles, of which 45 000 jobs were created for women, while 20 000 jobs were created for the youth. Approximately six million employment days were created, due to the department's flagship maintenance programme, Zibambele.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The bulk of the department's budget allocation is for the construction of roads, and the maintenance of the provincial road network. In 2018/19, the department will continue with construction and maintenance projects, provide subsidisation of bus services and undertake law enforcement campaigns to promote road safety.

Transport infrastructure

The department will continue to use Operation KuShunquthuli and ARRUP to focus on road infrastructure development in rural areas. The department will continue with the construction of roads to link rural communities to provincial hubs of activity, to achieve the strategic goal of providing access and mobility within the province. The department will continue with the upgrading and rehabilitation of the provincial road network to improve and prolong the lifespan of the provincial infrastructure network, and this includes the following projects:

- Main Road P700 corridor, located from Ulundi to Empangeni, comprising the upgrade of 93.5 kilometres from gravel to blacktop surface. Of this, 84.5 kilometres have been constructed to date. In 2018/19, the department plans to construct the balance of 9 kilometres on Main Road P253, as part of the P700 corridor.
- Main Road P318, located at the foot of the Drakensberg mountains in the Sani Pass area, comprises the upgrade of 13.6 kilometres with 12 structures from gravel to blacktop surface. The department advertised a contract for a further 11.4 kilometres, and anticipates to complete this in 2019/20.
- The construction of the uMzimkhulu Public Transport Facility is anticipated to commence in 2018/19 with completion anticipated in 2019/20.

The following are some of the upgrade projects that will be implemented in 2018/19 using labour-intensive construction methods:

- District Road D1613, located in the key economic hub of Inanda, Ndwedwe and KwaMashu, comprising 3.68 kilometres. An estimated 250 EPWP participants will be employed, with an impact on over 1 000 people in the local community.
- District Road D954 and Local Road L1099 are located in the Umzumbe area and collectively comprise seven kilometres. An estimated 100 EPWP participants will be employed.
- Local Road L1578 will be upgraded from gravel to concrete. This road is located in the Folweni area in eThekweni and comprises 2.5 kilometres. An estimated 400 EPWP participants will be employed.

Transport operations

The department is in the process of negotiating with main stream operators of subsidised contracts for empowerment purposes to ensure the participation of African-owned bus operators is increased to at least 50 per cent of the subsidised public transport contracts.

Learner transport services

The provision of learner transport services moves back to DOE, as mentioned. The department will continue to perform the regulation (issuing operator licences) and enforcement functions and, on request, will assist in areas of planning and service designs.

Road safety

The department will continue to create and promote a safe road environment through education and awareness by achieving the following:

- Reach 1 246 schools through the implementation of learner education projects.
- Conduct six major awareness programmes.
- Maintain 191 employment opportunities created through the school crossing patrol services project.

Expanded Public Works Programme (EPWP)

The department will continue to mainstream EPWP into the department to achieve the APP target of 58 260 work opportunities in 2018/19. This will be done by increasing its focus on labour-intensive construction. The department will focus on R200 million worth of projects utilising labour-intensive construction in order to ensure positive impact on livelihoods and achievement of job creation targets.

4. Reprioritisation

The department undertook minor reprioritisation, as well as a shift at both programme and economic classification levels, and the details are as follows:

- Programme 1: Administration was increased over the 2018/19 MTEF to cater for the maintenance and repairs to departmental buildings. The funds were reprioritised from Programme 4: Transport Regulation.
- Programme 3: Transport Operations was decreased over the 2018/19 MTEF relating to the shifting of the learner transport services function back to DOE from 2018/19 onward.

5. Procurement

The department will continue to strengthen SCM through increasing capacity and continuous training of staff. In 2017/18, the department finalised the review of its SCM policy and procedures and both documents have been approved and implemented. The department conducted SCM policy workshops with all stakeholders, as well as procedure manual training.

The department will continue to ensure the correct implementation of the Preferential Procurement Policy Framework Act particularly the “subcontracting as condition of tender” aspect, which requires that 30 per cent of the value of the contracts above R30 million must be subcontracted to an Exempted Micro Enterprise (EME) or Qualifying Small-business Enterprise (QSE).

6. Receipts and financing**6.1 Summary of receipts**

Table 12.1 gives the sources of funding of Vote 12 over the seven-year period from 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of equitable share, and national conditional grant allocations for the maintenance and construction of road infrastructure, the subsidisation of bus transport in the province and creating job opportunities through EPWP projects. The conditional grants received over the period are the Provincial Roads Maintenance grant (PRMG), the Provincial Transport Operations grant (PTOG) and the EPWP Integrated Grant for Provinces.

Table 12.1 shows that there is generally steady growth in the department’s budget over the period, despite the substantial budget cuts in both the equitable share and conditional grants allocations.

Table 12.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	6 155 218	6 363 211	6 281 566	6 864 970	6 864 970	6 864 970	7 052 586	7 496 961	7 947 892
Conditional grants	2 752 384	2 759 623	2 992 479	2 934 054	2 934 054	2 934 054	3 009 461	2 940 891	3 116 393
Provincial Roads Maintenance grant	1 788 158	1 779 255	1 925 378	1 828 970	1 828 970	1 828 970	1 826 745	1 772 792	1 870 031
Public Transport Operations grant	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
EPWP Integrated Grant for Provinces	59 443	55 602	56 055	33 645	33 645	33 645	76 562	-	-
Total receipts	8 907 602	9 122 834	9 274 045	9 799 024	9 799 024	9 799 024	10 062 047	10 437 852	11 064 285
Total payments	8 908 956	9 129 869	9 251 796	9 847 024	10 074 270	10 165 666	10 062 047	10 437 852	11 064 285
Surplus/(Deficit) before financing	(1 354)	(7 035)	22 249	(48 000)	(275 246)	(366 642)	-	-	-
Financing									
of which									
Provincial roll-overs	-	-	-	-	27 246	27 246	-	-	-
Provincial cash resources	290	35 103	5 680	48 000	248 000	248 000	-	-	-
Surplus/(Deficit) after financing	(1 064)	28 068	27 929	-	-	(91 396)	-	-	-

In 2014/15, provincial cash resources of R290 000 were allocated for the costs relating to the RTI Commission. Also in 2014/15, R10 million was suspended from the department and allocated back in 2015/16, in respect of learner transport services. The department ended 2014/15 with minor over-expenditure of R1.064 million attributed to the carry-over costs of completed projects from previous years.

In 2015/16, the department was allocated provincial cash resources of R10 million, being funds suspended from 2014/15 for learner transport services. Also in 2015/16, provincial cash resources of R25.103 million were allocated for the above-budget 2015 wage agreement (R18.114 million), and the RTI Commission (R6.989 million) for the legal costs incurred and settlement to the 13 affected families as compensation for the loss of loved ones. The department under-spent in 2015/16 by R28.068 million due to non-compliance by the department with DORA in respect of reporting on the Infrastructure Reporting Model (IRM) on the PRMG allocation. The actual under-expenditure was R30.241 million, but was offset by over-spending in respect of the equitable share.

In 2016/17, the department received R5.680 million mainly to cater for the above-budget 2016 wage adjustment (R3.679 million), as well as R2 million to commence with the planning of the cross-border crime fighting structure. The department ended 2016/17 with under-expenditure of R27.929 million, of which R25.246 million was for the construction of bus lanes on Main Road P577 in the eThekweni Metro. The project was implemented by the department and is co-funded by the Metro. Also, R2 million, which was specifically and exclusively allocated for the planning of the cross-border crime fighting structure was under-spent due to non-submission of invoices by service providers. The balance of R683 000 was surrendered to the Provincial Revenue Fund, as it was not committed.

In 2017/18, the department received R48 million against provincial cash resources for the construction of a cross-border crime fighting structure. In addition, several budget cuts were effected against the equitable share over the MTEF including budget cuts to fund the remuneration of *Izinduna* in the province, the PES and Own Revenue reductions. In the 2017/18 Adjusted Appropriation, the department received R200 million for disaster relief in respect of the flood damage that occurred in the province on 10 October 2017 and, a roll-over of R27.246 million in respect of its 2016/17 under-expenditure, as explained above. As at the end of December 2017, the department is projecting to over-spend its allocation by R91.396 million largely relating to the pressures on the learner transport services.

The budget for the Vote as a whole shows a healthy increase over the 2018/19 MTEF. The budget provides for the carry-through allocations of construction and maintenance projects, investment in the computerised licence testing project, an increase in law enforcement and road safety campaigns, as well as inflationary increments. National Treasury has allocated additional funding to provinces in the outer year of the 2018/19 MTEF in respect of the above-budget wage agreement. This amount is proportionately allocated to all 15 Votes. This resulted in R38.599 million allocated in 2020/21. The department receives more than double its EPWP Integrated Grant for Provinces allocation in 2018/19, amounting to R76.562 million. The PTOG sees a reduction of R15.353 million in 2018/19 and R16.212 million in 2019/20 due to National Treasury's fiscal consolidation programme, but grows by R62.051 million in 2020/21 to cater for inflationary increments. Also, the PRMG sees a substantial reduction aggregating

R604.997 million over the 2018/19 MTEF as a result of fiscal consolidation. A total of R655.033 million was reduced in respect of the learner transport services budget over the 2018/19 MTEF and moved to DOE (for which prior years' figures were adjusted), as explained.

6.2 Departmental receipts collection

Table 12.2 indicates the estimated departmental receipts for Vote 12. Details of departmental receipts are presented in *Annexure – Vote 12: Transport*. Table 12.2 shows a general increase in the total amount of revenue collected by the department over the seven-year period. This increase can be attributed to improved revenue collection strategies, higher than anticipated applications for new and renewal of motor vehicle licences, as well as higher than anticipated applications for learners' and drivers' licences.

Table 12.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	1 481 126	1 490 173	1 599 531	1 597 163	1 597 163	1 637 955	1 694 050	1 760 059	1 825 350
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	1 481 126	1 490 173	1 599 531	1 597 163	1 597 163	1 637 955	1 694 050	1 760 059	1 825 350
Sale of goods and services other than capital assets	126 811	119 355	107 078	145 088	145 088	100 587	115 931	120 656	129 705
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	43 476	45 671	47 257	40 948	40 948	38 460	57 733	61 147	58 901
Interest, dividends and rent on land	236	202	230	254	254	120	272	280	291
Sale of capital assets	4 389	6 221	27 205	5 132	5 132	6 363	7 481	7 945	7 240
Transactions in financial assets and liabilities	369	3 358	2 928	2 176	2 176	8 899	2 324	2 400	2 496
Total	1 656 407	1 664 980	1 784 229	1 790 761	1 790 761	1 792 384	1 877 791	1 952 487	2 023 983

The bulk of the department's revenue is derived from *Tax receipts (Motor vehicle licences)* collected in terms of the Road Traffic Act. The revenue collection grows to R1.825 billion in 2020/21. This growth can be attributed to the growth in vehicle population and higher than anticipated application of new and renewal of motor vehicle licences. The budget grows by approximately 4 per cent on average over the MTEF, as the department is concerned that their revenue may be negatively impacted by cheaper fees in neighbouring provinces.

Sale of goods and services other than capital assets consists of motor vehicle registration, sale of personalised and specific number plates, registration of classification of vehicles, such as abnormal loads and special vehicles, as well as applications for learners' and drivers' licences. Additional to these revenue sources are boarding services, course fees related to the Traffic Training College, commission on PERSAL deductions, etc. The 2018/19 MTEF revenue projections exclude the effect of changing from town specific number plates to KZN registration numbers. This process has been put on hold by the department pending NDOT promulgation of legislation relating to the implementation of a new national number plate, which the department will have to adopt.

Fines, penalties and forfeits largely reflects the collection of traffic fines from non-compliance with road traffic laws and regulations. The revenue fluctuations relate to the nature of this category which is difficult to project. The growth over the MTEF is based on historical performance.

Interest, dividends and rent on land is derived mainly from interest on staff debts. It is difficult to project accurately for this item due to its uncertain nature.

Sale of capital assets reflects the sale of redundant vehicles and mechanical plant. The difficulty in projecting with certainty for these receipts is reflected in the fluctuating trend over the seven-year period, hence the conservative growth over the MTEF. The higher than anticipated collection in the 2017/18 Revised Estimate is due to proceeds from the auction sale being higher than expected, with more vehicles sold.

Transactions in financial assets and liabilities is made up of recoveries from staff debts, stale cheques, overpayment to suppliers, unsuccessful projects, unallocated credits, etc. It is difficult to accurately project revenue from this source due to its uncertain nature.

6.3 Agency funding

Tables 12.3 and 12.4 present details of agency funding that are received by the department.

Table 12.3 : Details of agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Agency funding	58 536	38 675	35 024	3 922	3 922	22 553	3 922	3 922	3 922
SANRAL	-	3 363	6 073	3 922	3 922	3 922	3 922	3 922	3 922
RTMC	40 000	35 312	20 710	-	-	18 390	-	-	-
eThekweni Metro	18 536	-	8 241	-	-	241	-	-	-
Total	58 536	38 675	35 024	3 922	3 922	22 553	3 922	3 922	3 922

Table 12.4 : Details of agency funding payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Agency funding	14 983	17 965	16 393	3 922	3 922	22 553	3 922	3 922	3 922
SANRAL	-	3 363	6 073	3 922	3 922	3 922	3 922	3 922	3 922
RTMC	4 688	14 602	2 320	-	-	18 390	-	-	-
eThekweni Metro	10 295	-	8 000	-	-	241	-	-	-
Total	14 983	17 965	16 393	3 922	3 922	22 553	3 922	3 922	3 922

The department receives agency funding from the South African National Roads Agency Limited (SANRAL) for the extended overload control function on the national road network in the province. In 2013/14, the department's contract with SANRAL expired, and the process of renewing the contract took longer than anticipated. The department could not reach an agreement with SANRAL, and this led to non-receipt of funds in 2014/15.

In 2014/15, the new contract was signed at the end of November 2014, in terms of which the department anticipated to receive R1.264 million for the remainder of 2014/15. This amount was not paid to the department in 2014/15 due to a problem with verifying the quality of information at the individual weighbridges. The 2014/15 agency funding was received in 2015/16. In 2016/17, the department anticipated to receive R3.792 million, but received R6.073 million, including R3.514 million for 2015/16.

The department anticipates to receive further funds of R3.922 million in 2017/18 in line with the new contract signed with SANRAL. The department and SANRAL will review and renew the contract every two years and, as the department does not know the content of the new agreement, it could not determine the inflationary increments, hence the allocations over the MTEF remain constant, at this stage.

The department received R40 million from RTMC in the latter part of 2014/15 in respect of the road safety improvement programme for the improvement of road safety and law enforcement campaigns due to the high level of accidents on the roads. The unspent balance of the R40 million is R18.390 million, which is anticipated to be spent in the latter part of 2017/18.

The department received R18.536 million from the eThekweni Metro for provincial public transport infrastructure for the construction of taxi ranks, toward the latter part of 2013/14 for spending in 2014/15, and R10.295 million was spent in that year. The balance of R8.241 million was rolled over to 2015/16. Of this, R8 million was spent in 2016/17, and the balance of R241 000 was rolled over to 2017/18.

7. Payment summary

This section summarises the payments and budget estimates for the Vote in terms of programmes and economic classification. Details of the economic classification per programme are presented in *Annexure – Vote 12: Transport*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- In terms of the National Treasury's guidelines, the cost of living adjustment is 8 per cent in 2018/19, 7.8 per cent in 2019/20 and 8 per cent in 2020/21, including the 1.5 per cent pay progression. However, the department provided for a growth in *Compensation of employees* of 16 per cent in 2018/19, 7 per cent in 2019/20 and 9 per cent in 2020/21. The substantial growth in 2018/19 caters for the implementation of the department's proposed new organisational structure and the filling of 930 vacant posts. However, the growth does not seem sufficient to cater for all 930 posts in one year. Also, as a result of lengthy recruitment processes, it is not possible for the department to fill all 930 posts in a year and, as such, the department will review this in-year. The growth in 2019/20, which is below National Treasury's guidelines, will be reviewed by the department in 2019/20. The growth of 9 per cent in 2020/21 is slightly above National Treasury's guidelines, due to the allocation from National Treasury to cater for the above-budget wage agreement.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 12.5 shows additional equitable share funding received over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 12.5 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(340 791)	(363 923)	(385 914)	(407 525)	(429 939)
Above-budget 2015 wage agreement	38 649	41 442	44 589	47 086	49 676
Freezing all vacant non-OSD posts	(328 789)	(351 147)	(375 025)	(396 026)	(417 808)
Cutting events' budget	(19 000)	(19 000)	(19 000)	(20 064)	(21 168)
2% Goods and services cut	(31 651)	(35 218)	(36 478)	(38 521)	(40 639)
2017/18 MTEF period		10 627	(42 579)	4 466	4 711
PES and Provincial Own Revenue reductions		(27 051)	(30 925)	(54 853)	(57 870)
Budget cuts to fund remuneration of <i>Izinduna</i>		(10 219)	(10 781)	(11 373)	(11 999)
Baseline adjustment		(103)	(873)	(783)	(826)
Cross-border crime fighting initiative (25 kms)		48 000	-	-	-
Additional funding from National Treasury		-	-	71 475	75 406
2018/19 MTEF period			(206 630)	(218 201)	(191 604)
Learner transport funds shift to DOE			(206 630)	(218 201)	(230 202)
Above-budget wage agreement			-	-	38 598
Total	(340 791)	(353 296)	(635 123)	(621 260)	(616 832)

In the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, 2 per cent cut against departments' equitable share funded *Goods and services* budget, as well as the cut against departments' events budget over the MTEF.

With regard to the 2017/18 MTEF, an amount of R48 million was allocated in 2017/18 for the construction of a cross-border crime fighting structure on the border between KZN and Mozambique. Also, National Treasury allocated additional funding to provinces in the outer year of the 2017/18 MTEF. This amount was proportionately allocated to all 15 Votes to ensure that the budget cuts referred to above were offset in the outer year. However, these increases were substantially mitigated by the MTEF budget cuts to fund the remuneration of *Izinduna*, the PES and Provincial Own Revenue reductions, as well as a minor baseline adjustment.

In the 2018/19 MTEF, the learner transport services function was shifted back to DOE and, as such, the funds follow function, hence the reduction reflected over the 2018/19 MTEF. Also, National Treasury allocated additional funding to provinces in the outer year of the 2018/19 MTEF. This amount is proportionately allocated to all 15 Votes to cater for the above-budget wage agreement, hence an allocation of R38.598 million in 2020/21.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R32.840 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, which are largely aligned to the uniform budget and programme structure of the Transport sector.

The department's mission is to provide the public with integrated and accessible road and public transport infrastructure and to promote road and public transport safety, through the interaction of these five programmes.

Tables 12.6 and 12.7 provide a summary of the Vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 12.6 : Summary of payments and estimates by programme: Transport

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	258 972	306 021	314 310	335 052	347 052	347 052	363 292	387 397	411 437
2. Transport Infrastructure	6 821 519	6 977 023	7 054 362	7 177 883	7 405 129	7 405 129	7 460 222	7 669 133	8 121 453
3. Transport Operations	1 084 604	1 079 446	1 072 565	1 437 403	1 437 403	1 528 799	1 281 846	1 354 718	1 444 458
4. Transport Regulation	702 150	737 790	778 062	861 447	849 447	849 447	920 064	987 413	1 045 343
5. Community Based Programme	41 711	29 589	32 497	35 239	35 239	35 239	36 623	39 191	41 594
Total	8 908 956	9 129 869	9 251 796	9 847 024	10 074 270	10 165 666	10 062 047	10 437 852	11 064 285
Unauth. Exp. (1st charge) not available for spending	-	(4 553)	(4 553)	-	-	-	-	-	-
Baseline available for spending after 1st charge	8 908 956	9 125 316	9 247 243	9 847 024	10 074 270	10 165 666	10 062 047	10 437 852	11 064 285

Table 12.7 : Summary of payments and estimates by economic classification: Transport

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	4 034 726	3 862 395	4 499 339	5 121 230	5 092 812	5 184 208	5 293 315	5 528 240	5 815 251
Compensation of employees	1 075 831	1 170 062	1 265 911	1 762 017	1 544 673	1 544 673	1 789 872	1 907 847	2 070 455
Goods and services	2 958 890	2 692 330	3 233 428	3 359 213	3 548 139	3 639 535	3 503 443	3 620 393	3 744 796
Interest and rent on land	5	3	-	-	-	-	-	-	-
Transfers and subsidies to:	1 028 292	1 016 815	1 033 393	1 099 193	1 100 816	1 100 816	1 132 250	1 195 656	1 275 434
Provinces and municipalities	4 093	4 537	5 093	4 986	4 986	4 986	5 729	6 049	6 381
Departmental agencies and accounts	4 522	1 608	3 986	6 058	4 499	4 499	4 478	4 728	4 988
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	985 852	993 057	1 011 085	1 071 439	1 073 304	1 073 304	1 106 154	1 168 099	1 246 362
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	33 825	17 613	13 229	16 710	18 027	18 027	15 889	16 780	17 703
Payments for capital assets	3 845 558	4 245 464	3 712 163	3 626 601	3 879 847	3 879 847	3 636 482	3 713 956	3 973 600
Buildings and other fixed structures	3 675 620	4 032 842	3 530 726	3 424 685	3 699 931	3 699 931	3 436 542	3 504 869	3 754 059
Machinery and equipment	166 436	200 177	180 095	193 759	178 599	178 599	198 439	207 502	217 869
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 502	12 445	1 342	8 157	1 317	1 317	1 501	1 585	1 672
Payments for financial assets	380	5 195	6 901	-	795	795	-	-	-
Total	8 908 956	9 129 869	9 251 796	9 847 024	10 074 270	10 165 666	10 062 047	10 437 852	11 064 285
Unauth. Exp. (1st charge) not available for spending	-	(4 553)	(4 553)	-	-	-	-	-	-
Baseline available for spending after 1st charge	8 908 956	9 125 316	9 247 243	9 847 024	10 074 270	10 165 666	10 062 047	10 437 852	11 064 285

The expenditure and budget over the period under review reflects healthy growth, but the growth was mitigated by the previously mentioned budget cuts, as well as the function shift of the learner transport services, (which is included in 2017/18 only).

Programme 1: Administration reflects steady growth over the period. The increase in the 2017/18 Adjusted Appropriation was due to reprioritisation to cater for the maintenance and rehabilitation of departmental buildings. The growth over the 2018/19 MTEF mainly provides for inflationary increments, as well as additional maintenance and repairs to departmental buildings. The 2015/16 and 2016/17 amounts include R4.553 million in each of the years in respect of the first charge. These amounts are reflected against *Payments for financial assets*. The department has made provision for the filling of seven critical posts in respect of Programme 1 over the MTEF. These posts include Director: SCM, Director: Asset Management, Director: Human Resource Administration, Deputy Director: Risk Management, among others.

Programme 2: Transport Infrastructure reflects a steady increase over the seven-year period. The increase is due to the carry-through of the department's investment in the provincial road network in respect of construction and upgrade of roads, enhancement of law enforcement and road safety campaigns, and maintenance of the provincial road network. The increase in the 2017/18 Adjusted Appropriation was due to an additional R200 million allocated for disaster relief in respect of the flood damage that occurred in the province. In addition, a roll-over of R27.246 million was approved for the construction of bus lanes on Main Road P577 in the eThekweni Metro, and the payment of invoices for the planning of the cross-border crime fighting structure. Programme 2 houses the PRMG and the EPWP Integrated Grant for Provinces, and the allocation for the PRMG has been substantially reduced over the MTEF due to National Treasury's fiscal consolidation programme, while the EPWP Integrated Grant for Provinces' allocation in 2018/19 in comparison to 2017/18 sees a substantial increase due to improved reporting by the department. It should be noted that the EPWP Integrated Grant for Provinces is allocated annually and is based on the previous year's performance, and hence no funds are allocated in the two outer years of the 2018/19 MTEF. The department has made provision for the filling of 887 critical posts in respect of Programme 2 over the MTEF. These posts include Chief Director: Macro Integrated Transport Planning, Road Worker Aids, Control Engineering Technologists, Driver Operators, Artisans, among others. The 2020/21 allocation includes additional funds for the above-budget wage agreement. The full allocation was placed under this programme.

Programme 3: Transport Operations reflects healthy growth over the period. The bulk of the allocation against this programme relates to the PTOG for the payment of bus subsidies to bus operators. The high amount in the 2017/18 Revised Estimate relates to spending pressures of R102.294 million with regard to learner transport services. This function has now been shifted to DOE, and the prior years' and the 2018/19 MTEF figures have been adjusted for comparative purposes. However, the 2017/18 figure has not been adjusted, as the department is currently implementing the services, and the hand-over to DOE takes effect from 1 April 2018. The low growth in 2018/19 and 2019/20 in comparison to the 2017/18 Adjusted Appropriation is attributed to a reduction in the PTOG in these two years. The growth in 2020/21 accounts for the substantial increase in the PTOG in that year, as well as inflationary increments. The department has made provision for the filling of 11 critical posts in respect of Programme 3 over the MTEF. The posts include Principal Road Safety Officer, Chief Director: Public Transport and Freight Management, Assistant Director: Community Outreach Services, Engineering Technician, Deputy Director: Transportation Planning, among others.

Programme 4: Transport Regulation reflects steady growth over the seven-year period, relating to the investment in a computerised licence testing system and an increase in law enforcement and road safety campaigns. As this programme includes provision for traffic officers, the bulk of the budget relates to personnel. The decrease in the 2017/18 Adjusted Appropriation was due to reprioritisation to Programme 1. The growth over the MTEF is in respect of inflationary increments. The department made provision for the filling of 17 critical posts in respect of Programme 4 over the MTEF, including Chief Provincial Inspector, Vehicle Technical Compliance Officers, Adjudication Specialists, and Administration Clerk: Revenue and Debt Control Services, among others.

Programme 5: Community Based Programmes reflects a fluctuating trend over the period. The decrease in 2015/16 can be ascribed to training programmes for the Zibambeke and Vukuzakhe emerging contractors that were not conducted, as a result of delays in the appointment of mentors due to the difficulty in finding suitable service providers. The further decrease in 2016/17 was due to funds earmarked to be transferred to the Vukuzakhe Emerging Contractors Association (VECA), but were not transferred as a result of non-compliance with funding conditions by the association. The 2018/19 MTEF growth is mainly inflationary, but also includes provision for the filling of eight critical posts such as Director: Youth Development, Director: EPWP, Deputy Director: Women and People with Disabilities, Assistant Director: Data Management, among others.

Compensation of employees shows a steady increase over the seven-year period attributed to the filling of vacant posts, as well as the annual wage adjustments. The decrease in the 2017/18 Adjusted Appropriation mainly relates to the shifting of funds for the payment of Zibambeke contractors to *Goods and services*. This is because the contractors are not employees of the department, but are merely used by the department for routine road maintenance, and should therefore not form part of the department's personnel budget. The prior years' and the 2018/19 MTEF figures have been adjusted. The decrease is also attributed to non-filling of approved vacant posts. The department anticipates filling 930 critical vacant posts in 2018/19, as discussed under each programme. However, this is not feasible due to lengthy recruitment processes, and will be reviewed by the department. The 2020/21 allocation includes additional funding for the above-budget wage agreement. The department provided for growth in *Compensation of employees* of 16 per cent in 2018/19, 7 per cent in 2019/20 and 9 per cent in 2020/21. As explained, the substantial growth in 2018/19 caters for the implementation of the department's proposed new organisational structure and the filling of vacant critical posts. The growth in 2019/20, which is below National Treasury's guidelines, will be reviewed by the department in 2019/20. The growth of 9 per cent in 2020/21 is slightly above National Treasury's guidelines, due to the once-off additional allocation for the above-budget wage agreement.

Goods and services caters for the maintenance of the provincial road network, as well as road safety awareness campaigns, etc., and reflects a steady increase over the period, apart from 2015/16 which shows a dip, which resulted from the substantial reprioritisation from this category in that year. In the 2017/18 Adjustments Estimate, funds for the payment of Zibambeke contractors were moved to this category, as explained above. The prior years' and the 2018/19 MTEF figures have been adjusted. Also, an amount of R200 million was allocated to cater for disaster relief in respect of the flood damage that occurred in the province. In addition, a roll-over of R2 million was allocated for the payment of invoices relating to the planning of the cross-border crime fighting structure. The increase was, however, offset to some extent by the movement of savings of R250 million realised mainly from various maintenance projects that were delayed. These funds were moved to *Buildings and other fixed structures* to offset spending pressures. The high 2017/18 Revised Estimate resulted from spending pressures with regard to learner transport services. As explained, the learner transport services function has been shifted back to DOE with effect from 2018/19, and the funds have been moved accordingly. However, the 2017/18 budget was not amended, as the department is currently implementing the services. This category houses the PRMG and the EPWP Integrated Grant for Provinces. Despite the substantial reduction against the PRMG over the 2018/19 MTEF, the category shows healthy growth attributed to continuation of maintenance projects, road safety awareness campaigns, as well as inflationary increments. Also, the allocation for the EPWP Integrated Grant for Provinces sees a substantial increase in 2018/19. The EPWP Integrated Grant for Provinces is allocated up to 2018/19 only, as the grant is allocated on an annual basis based on the previous year's performance.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts mainly relates to the payment for the Construction Education and Training Authority (CETA) and the Transport Education and Training Authority (TETA) levies in terms of the Skills Development Act.

Transfers and subsidies to: Public corporations and private enterprises mainly relates to the PTOG, which is a conditional grant aimed at subsidising road-based public transport services and providing supplementary funding toward public transport services. The slight increase in the 2017/18 Adjusted

Appropriation was in respect of VECA for the monitoring of the Vukuzakhe emerging contractors for compliance to norms and standards. The amounts over the 2018/19 MTEF are mainly in respect of the PTOG, which was decreased in 2018/19 and 2019/20 due to the fiscal consolidation programme. The grant increases in 2020/21 to provide for inflationary growth.

Transfers and subsidies to: Households caters mainly for staff exit costs, external bursaries, as well as injury on duty. The high 2014/15 amount relates to costs in respect of the RTI Commission, as previously mentioned.

Buildings and other fixed structures caters for road construction, upgrades and rehabilitation work. Funds were reprioritised to this category in the 2017/18 Adjusted Appropriation mainly from *Goods and services* for higher than budgeted spending on various construction projects carried over from the previous year. Also, a roll-over of R25.246 million was allocated for the construction of bus lanes on Main Road P577 in the eThekweni Metro. The increase over the 2018/19 MTEF is inflationary, and caters for various construction, upgrade and rehabilitation projects such as the Main Road P700 corridor (upgrade of 9 kilometres), Main Road P318 (upgrade of 13.6 kilometres with 12 structures from gravel to blacktop surface), the construction of the uMzimkhulu Public Transport Facility, District Road D1613 (upgrade of 3.68 kilometres), Local Road L1578 (upgrade from gravel to concrete comprising 2.5 kilometres), District Road D954 and Local Road L1099 (collectively an upgrade of 7 kilometres), among others.

Machinery and equipment reflects a low 2016/17 amount due to delays in procurement processes for the purchase of additional plant to replace damaged and obsolete plant, as well as additional motor vehicles for the Law Enforcement unit. The reduction in the 2017/18 Adjusted Appropriation resulted from savings associated with the non-filling of posts, hence there was less demand for computer equipment, office equipment, two-way radios for motor vehicles, etc. The 2018/19 MTEF caters for the procurement of new and the replacement of mechanical plant, as well as inflationary adjustments.

Software and other intangible assets relates to the payment of computer software licences such as Microsoft. The high 2015/16 amount was due to the purchase of new and renewal of licences. The substantial reduction in the 2017/18 Adjusted Appropriation relates to a shift to *Goods and services* for Microsoft software licences. The 2018/19 MTEF provides for the renewal and purchase of various software.

Payments for financial assets is mainly in respect of claims (removal of vehicles) against the state, dishonoured cheques, salary over-payments, write-off of irrecoverable staff debts, among others. This category is not usually budgeted for due to its uncertain nature. The bulk of the amounts in 2015/16 and 2016/17 are in respect of the first charge.

7.4 Summary of conditional grant payments and estimates

Tables 12.8 and 12.9 provide a summary of the conditional grant payments and budgeted estimates over the seven-year period, by grant name and economic classification, respectively. Detailed information on the conditional grants is presented in the *Annexure – Vote 12: Transport*.

Note that the historical figures in Tables 12.8 and 12.9 reflect actual expenditure per grant, and should not be compared to those figures reflected in Table 12.1, which represent the actual receipts for each grant.

The conditional grant allocation reflect fluctuating trend over the period, as explained per grant in the paragraphs below the table:

Table 12.8 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Provincial Roads Maintenance grant	1 788 158	1 749 014	1 925 378	1 828 970	1 828 970	1 828 970	1 826 745	1 772 792	1 870 031
Public Transport Operations grant	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
EPWP Integrated Grant for Provinces	59 443	55 602	56 055	33 645	33 645	33 645	76 562	-	-
Total	2 752 384	2 729 382	2 992 479	2 934 054	2 934 054	2 934 054	3 009 461	2 940 891	3 116 393

Table 12.9 : Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 847 601	1 804 616	1 981 433	1 862 615	1 862 615	1 862 615	1 903 307	1 772 792	1 870 031
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	1 847 601	1 804 616	1 981 433	1 862 615	1 862 615	1 862 615	1 903 307	1 772 792	1 870 031
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 752 384	2 729 382	2 992 479	2 934 054	2 934 054	2 934 054	3 009 461	2 940 891	3 116 393

- Provincial Roads Maintenance grant:** The grant allocation under *Goods and services* is in respect of maintenance of road infrastructure. The slight reduction in 2015/16 relates to the under-spending of the grant by R30.241 million. The erratic trend of the grant is due to the substantial cuts over the 2016/17, 2017/18 and 2018/19 MTEF periods due to fiscal consolidation. Amounts of R106.254 million, R297.991 million and R200.752 million were reduced over the 2018/19 MTEF, and the cuts will mainly affect road reseal (P744 – zero to 2.4 kilometres, P34-2 – 18 to 23 kilometres, D189 – zero to 16 kilometres, P110, P230 – 37 to 47 kilometres and P419 – zero to 3 kilometres) and rehabilitation (D457 – zero to 2.2 kilometres, P47-3, P393, P46-3) projects. The department will contain the cuts by postponing these projects to the subsequent years.
- Public Transport Operations grant:** Funds are allocated against *Transfers and subsidies to: Public corporations and private enterprises* in respect of the PTOG for the payment of bus subsidies to bus operators. The grant was reduced in 2018/19 by R15.353 million and in 2019/20 by R16.212 million due to fiscal consolidation, but sees an inflationary increase in 2020/21. The reduction will affect the provision of subsidised public transport services.
- EPWP Integrated Grant for Provinces:** Funds are allocated against *Goods and services* in respect of this grant, and are utilised for the creation of EPWP job opportunities through road maintenance projects. This grant is allocated on an annual basis, hence no funds are allocated in the two outer years of the 2018/19 MTEF, at this stage. The fluctuations over the period are largely based on the performance of the grant and effective reporting in previous years. The 2017/18 amount is far lower than the 2016/17 amount, and this is attributed to National Treasury's fiscal consolidation programme. The high 2018/19 amount is due to the improved reporting by the department.

7.5 Summary of infrastructure payments and estimates

Table 12.10 presents a summary of infrastructure payments and estimates by category for the Vote. A more detailed listing of infrastructure projects to be undertaken by the department can be found in the *2018/19 Estimates of Capital Expenditure (ECE)*.

National Treasury introduced a new category in 2017/18, namely *Non infrastructure*. The category refers to items or project costs that do not fall within the category of *Buildings and other fixed structures*, such as machinery, equipment, furniture and *Compensation of employees*.

The infrastructure budget increases over the period due to the increase in construction and maintenance activities in respect of infrastructure investment and various increased allocations in this regard.

Table 12.10 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	5 171 105	5 203 016	5 211 072	5 565 997	6 023 473	6 023 473	5 253 320	5 519 480	5 805 514
Maintenance and repair: Current	1 893 568	1 612 400	2 172 428	2 923 542	2 873 542	2 873 542	2 546 058	2 609 084	2 727 575
Upgrades and additions: Capital	2 516 597	2 344 875	2 047 014	1 470 913	2 449 931	2 449 931	1 699 786	1 779 926	1 588 016
Refurbishment and rehabilitation: Capital	760 940	1 245 741	991 630	1 171 542	700 000	700 000	1 007 476	1 130 470	1 489 923
New infrastructure assets: Capital	398 083	442 226	492 082	782 230	550 000	550 000	729 280	594 473	676 120
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	936 918	1 029 442	1 062 320	498 511	498 511	498 511	1 125 598	1 179 896	1 240 038
Total	6 506 106	6 674 684	6 765 474	6 846 738	7 071 984	7 071 984	7 108 198	7 293 849	7 721 672
<i>Capital infrastructure</i>	<i>3 675 620</i>	<i>4 032 842</i>	<i>3 530 726</i>	<i>3 424 685</i>	<i>3 699 931</i>	<i>3 699 931</i>	<i>3 436 542</i>	<i>3 504 869</i>	<i>3 754 059</i>
<i>Current infrastructure</i>	<i>1 893 568</i>	<i>1 612 400</i>	<i>2 172 428</i>	<i>2 923 542</i>	<i>2 873 542</i>	<i>2 873 542</i>	<i>2 546 058</i>	<i>2 609 084</i>	<i>2 727 575</i>

Notes:

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total
2. *Current infrastructure* is more than the total *Goods and services*, as it includes the salary costs of the four regions' staff that undertake maintenance work, etc
3. Amounts against the item *Non infrastructure* have changed due to the review of the item and it now includes amounts that were not included in the 2017/18 budget process

Note that the previous years' amounts will therefore not balance back to the 2017/18 EPRE

Maintenance and repair: Current caters for routine, preventative, mechanical and other maintenance. The growth relates to the maintenance of the existing road network, as well as repairs to roads and infrastructure damage caused by floods. The reduction in the 2017/18 Adjusted Appropriation was due to savings realised from various maintenance projects that were delayed due to emerging contractors finding it difficult to acquire the plant necessary to undertake the projects, as well as road blading contracts that were delayed due to winter weather conditions. The savings were moved to *Upgrades and additions: Capital* to cater for spending pressures. The reduction was offset to some extent by additional funding allocated for disaster relief in respect of the flood damage that occurred in the province. The PRMG and EPWP Integrated Grant for Provinces are housed under this category. The allocation for the PRMG was substantially reduced over the 2018/19 MTEF, as explained earlier. The EPWP Integrated Grant for Provinces sees a substantial increase in 2018/19 due to improved reporting by the department. Various projects will be undertaken over the MTEF, including the routine maintenance in Harry Gwala District Municipality, preventative maintenance in King Cetshwayo District Municipality, routine maintenance in uMgungundlovu District Municipality, reseal of P230 (zero to six kilometres in uMhlathuze Local Municipality), among others.

The high 2014/15 expenditure against *Upgrades and additions: Capital* was due to the fast-tracking of the upgrading of gravel roads to surfaced roads, as well as the carry-over costs of some completed construction projects from 2013/14. The 2015/16 amount included expenditure accrued from 2014/15. The increase in the 2017/18 Adjusted Appropriation was due to reprioritisation from *Maintenance and repair: Current* to offset spending pressures from various construction projects carried over from the previous year. Also, funds were shifted from *Refurbishment and rehabilitation: Capital* due to the department's input into the 2017/18 ECE being incorrect, and the shift was to correct the infrastructure project list for 2017/18. In addition, the 2017/18 Adjusted Appropriation includes a roll-over of R25.246 million in respect of the construction of bus lanes on Main Road P577 in the eThekweni Metro. The negative growth in 2020/21 will be reviewed by the department in the next budget process. Various projects will be undertaken over the MTEF, including the upgrade of D954/L1099 in uMzumbe Local Municipality, upgrade of P728 from 15.9 kilometres to 20 kilometres in Vulamehlo, upgrade of P390 from zero to 5.8 kilometres in Msunduzi, among others.

Refurbishment and rehabilitation: Capital relates to the rehabilitation of roads. The 2015/16 amount was high due to reprioritisation undertaken in that year to cater for 2014/15 commitments. The substantial reduction in the 2017/18 Adjusted Appropriation was due to funds shifted to *Upgrades and additions: Capital* to correct the 2017/18 ECE project list for 2017/18. The growth over the 2018/19 MTEF is inflationary. Various projects will be undertaken over the MTEF, including the rehabilitation of P443 from 19 kilometres to 23 kilometres in Jozini, rehabilitation of P6-1 from 20 kilometres to 30 kilometres in uMngeni, rehabilitation of P8-3 from 7 kilometres to 12 kilometres in uMzimkhulu, among others.

New infrastructure assets: Capital fluctuates over the period and includes the construction of access roads (to clinics and schools) and pedestrian bridges. The decrease in the 2017/18 Adjusted Appropriation was due to funds shifted to *Upgrades and additions: Capital* to correct the 2017/18 ECE project list for 2017/18. The 2017/18 amount includes a once-off project, namely the cross-border crime fighting structure, as explained. Various projects will be undertaken over the MTEF, including the construction of the uMlalazi River Bridge in uMlalazi, construction of Vumankala – St Paul causeway in Ulundi, construction of Mtungwa Road in eThekweni, among others.

Non infrastructure includes salaries of the Zibambele contractors, the mechanical budget, operational expenditure and administration in relation to maintenance of infrastructure, such as salaries for all regions and other overhead costs. This category was introduced in 2017/18 for the first time and the department did not have sufficient time to review and allocate the budget properly, but included only the salaries of the Zibambele contractors and other departmental staff that undertake maintenance projects. The category has now been thoroughly reviewed for the 2018/19 process, and the department has adjusted the figures, including prior years to include other items such as the mechanical budget, operational expenditure and administration. The 2017/18 figures have not been restated.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 12.11 reflects departmental transfers to public entities and other entities.

Table 12.11 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
	Transfers to public entities	-	-	-	-	-	-	-	-	-
	Transfers to other entities	985 752	993 057	1 011 085	1 071 439	1 073 304	1 073 304	1 106 154	1 168 099	1 246 362
	Bus operators 3.2: Public Transport Services	984 852	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
	VECA 5.3: Innovation and Empowerment	900	-	-	-	1 865	1 865	-	-	-
Total		985 752	993 057	1 011 085	1 071 439	1 073 304	1 073 304	1 106 154	1 168 099	1 246 362

The expenditure and budget against Bus operators increases steadily over the period and this relates to the PTOG for the payment of bus subsidies to operators. Spending in the previous years was inflated by over-spending against the grant. The 2018/19 MTEF allocations see some reduction in the first two years due to fiscal consolidation, but the 2020/21 allocation was increased to cater for inflation.

The amounts against VECA in 2014/15 and the 2017/18 Adjusted Appropriation are in respect of the monitoring of the Vukuzakhe emerging contractors for compliance to norms and standards. As a result of challenges with reporting from the association, no funds were allocated in 2015/16 and 2016/17, or over the 2018/19 MTEF, at this stage. The department is liaising with the association for improved reporting.

7.8 Transfers to local government – Nil

The department makes no transfer payments to local government. Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence the table reflecting transfers to local government is excluded.

7.9 Transfers and subsidies

Table 12.12 is a summary of spending on *Transfers and subsidies* by programme and main category.

The category reflects a fluctuating trend over the seven-year period, as explained in the paragraphs following the table.

Table 12.12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	9 627	11 075	8 253	11 447	9 888	9 888	10 180	10 750	11 341
Provinces and municipalities	56	35	369	92	92	92	97	102	107
Motor vehicle licences	56	35	369	92	92	92	97	102	107
Departmental agencies and accounts	4 522	1 608	3 977	6 052	4 493	4 493	4 469	4 719	4 979
CETA and TETA	4 522	1 608	3 977	6 052	4 493	4 493	4 469	4 719	4 979
Households	5 049	9 432	3 907	5 303	5 303	5 303	5 614	5 929	6 255
Staff exit costs	1 486	1 195	1 287	1 579	1 579	1 579	1 672	1 766	1 863
External bursaries	3 273	3 147	2 620	3 724	3 724	3 724	3 942	4 163	4 392
RTI Commission	290	5 090	-	-	-	-	-	-	-
2. Transport Infrastructure	29 597	10 365	10 455	12 534	12 534	12 534	11 921	12 589	13 282
Provinces and municipalities	3 286	4 014	4 238	4 070	4 070	4 070	4 762	5 028	5 305
Motor vehicle licences	3 286	4 014	4 238	4 070	4 070	4 070	4 762	5 028	5 305
Departmental agencies and accounts	-	-	1	1	1	1	1	1	1
TV and radio licences	-	-	1	1	1	1	1	1	1
Households	26 311	6 351	6 216	8 463	8 463	8 463	7 158	7 560	7 976
Staff exit costs	7 450	6 332	6 187	8 420	8 442	8 442	7 126	7 526	7 940
Land expropriation, injury on duty, etc	18 861	19	29	43	21	21	32	34	36
3. Transport Operations	985 366	993 182	1 011 202	1 071 496	1 071 512	1 071 512	1 106 214	1 168 162	1 246 428
Provinces and municipalities	1	8	11	12	12	12	13	14	15
Motor vehicle licences	1	8	11	12	12	12	13	14	15
Departmental agencies and accounts	-	-	4	5	5	5	5	5	5
TV and radio licences	-	-	4	5	5	5	5	5	5
Public corporations and private enterprises	984 952	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Bus operators	984 952	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Households	413	117	102	40	56	56	42	44	46
Staff exit costs	413	-	-	-	16	16	-	-	-
Injury on duty	-	117	102	40	40	40	42	44	46
4. Transport Regulation	2 802	2 116	3 483	3 716	5 017	5 017	3 935	4 155	4 383
Provinces and municipalities	750	480	475	812	812	812	857	905	954
Motor vehicle licences	750	480	475	812	812	812	857	905	954
Departmental agencies and accounts	-	-	4	-	-	-	3	3	3
TV and radio licences	-	-	4	-	-	-	3	3	3
Households	2 052	1 636	3 004	2 904	4 205	4 205	3 075	3 247	3 426
Staff exit costs	2 049	1 636	3 004	2 634	3 935	3 935	2 789	2 945	3 107
Injury on duty	3	-	-	270	270	270	286	302	319
5. Community Based Programmes	900	77	-	-	1 865	1 865	-	-	-
Public corporations and private enterprises	900	-	-	-	1 865	1 865	-	-	-
VECA	900	-	-	-	1 865	1 865	-	-	-
Households	-	77	-	-	-	-	-	-	-
Staff exit costs	-	77	-	-	-	-	-	-	-
Total	1 028 292	1 016 815	1 033 393	1 099 193	1 100 816	1 100 816	1 132 250	1 195 656	1 275 434

- *Households* under all programmes caters for staff exit costs, injury on duty, as well as external bursaries. In Programme 1, this category in 2014/15 and 2015/16 also included payments relating to the RTI Commission, in respect of the ten applicants who were hospitalised as a result of the recruitment process, and compensation to the 13 affected families, as discussed. The increase in the 2017/18 Adjusted Appropriation was for staff exit costs in Programme 4 that were not budgeted for.
- *Provinces and municipalities* against Programmes 1 to 4 relates to the payment of motor vehicle and mechanical plant licences.
- In Programme 1, *Departmental agencies and accounts* caters for payments to CETA and TETA. The fluctuations are linked to the filling of posts.
- *Departmental agencies and accounts* against Programmes 2, 3 and 4 caters for the payment of TV and radio licences.
- Under Programme 3, *Public corporations and private enterprises* is in respect of bus operators relating to the PTOG for the payment of bus subsidies. Spending in the previous years was inflated by over-spending against the grant. The PTOG was reduced in 2018/19 and 2019/20 due to fiscal consolidation, but sees some inflationary growth in 2020/21.
- Under Programme 5, *Public corporations and private enterprises* caters for transfers to VECA for the monitoring of the Vukuzakhe emerging contractors for compliance to norms and standards, as detailed in Section 7.7.

8. Programme description

The services rendered by the department are categorised under five programmes, which largely conform to the uniform budget and programme structure of the Transport sector.

The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 12: Transport*.

8.1 Programme 1: Administration

The purpose of this programme is to provide overall management and administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner. This includes goods and services utilised for governance, management, research and administration, as well as for general office services such as cleaning and security services.

Tables 12.13 and 12.14 summarise payments and budgeted estimates relating to Programme 1 from 2014/15 to 2020/21.

Table 12.13 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	12 001	11 891	13 510	14 652	14 652	14 652	16 781	17 877	19 093
2. Management	7 550	14 188	14 690	11 716	11 716	11 716	12 502	13 307	14 144
3. Corporate Support	222 105	262 800	264 993	283 604	294 337	294 337	306 651	326 951	346 926
4. Departmental Strategy	17 316	17 142	21 117	25 080	26 347	26 347	27 358	29 262	31 274
Total	258 972	306 021	314 310	335 052	347 052	347 052	363 292	387 397	411 437
Unauth. Exp. (1st charge) not available for spending	-	(4 553)	(4 553)	-	-	-	-	-	-
Baseline available for spending after 1st charge	258 972	301 468	309 757	335 052	347 052	347 052	363 292	387 397	411 437

Table 12.14 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	232 491	260 629	279 772	297 280	320 839	320 839	333 768	357 284	380 713
Compensation of employees	107 434	116 898	126 930	141 536	141 536	141 536	154 417	166 926	180 270
Goods and services	125 052	143 731	152 842	155 744	179 303	179 303	179 351	190 358	200 443
Interest and rent on land	5	-	-	-	-	-	-	-	-
Transfers and subsidies to:	9 627	11 075	8 253	11 447	9 888	9 888	10 180	10 750	11 341
Provinces and municipalities	56	35	369	92	92	92	97	102	107
Departmental agencies and accounts	4 522	1 608	3 977	6 052	4 493	4 493	4 469	4 719	4 979
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 049	9 432	3 907	5 303	5 303	5 303	5 614	5 929	6 255
Payments for capital assets	16 797	29 733	21 345	26 325	16 325	16 325	19 344	19 363	19 383
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 360	17 288	21 339	19 325	16 325	16 325	19 344	19 363	19 383
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	2 437	12 445	6	7 000	-	-	-	-	-
Payments for financial assets	57	4 584	4 940	-	-	-	-	-	-
Total	258 972	306 021	314 310	335 052	347 052	347 052	363 292	387 397	411 437
Unauth. Exp. (1st charge) not available for spending	-	(4 553)	(4 553)	-	-	-	-	-	-
Baseline available for spending after 1st charge	258 972	301 468	309 757	335 052	347 052	347 052	363 292	387 397	411 437

As indicated, the department was liable for the repayment of over-expenditure from 2013/14, as reflected under the sub-programme: Management, against *Payments for financial assets*, in the footnote of Tables 12.13 and 12.14. The department fully paid the first charge.

The sub-programme: Office of the MEC provides for the effective and efficient rendering of support services including correspondence, management, secretarial and administrative services, as well as the co-ordination of responses to parliamentary questions. The growth over the 2018/19 MTEF is inflationary.

The sub-programme: Management relates to the rendering of effective and efficient support services to the Head of Department. In addition, this sub-programme caters for legal advisory support services, strategic human resource management, financial services, risk management, as well as the management and implementation of organisational development services. The high amounts in 2015/16 and 2016/17 included the first and second instalments of the first charge, and hence the decrease in 2017/18. The growth over the 2018/19 MTEF is inflationary.

The Corporate Support sub-programme includes payments to SITA for the implementation of IT governance processes such as the Electronic Content Management (ECM) system and the Government Wide Enterprise Architecture (GWEA) project, in line with A-G recommendations in order to comply with the legislative requirements of IT. In addition, the sub-programme caters for the maintenance of departmental buildings, and the purchase of departmental fleet, among others. The increase in the 2017/18 Adjusted Appropriation was due to reprioritisation from Programme 4 to cater for higher than budgeted costs relating to the maintenance and rehabilitation of departmental buildings. The increase over the 2018/19 MTEF includes provision for the ongoing maintenance of the department's buildings, the purchase of new and replacement vehicles for the departmental fleet, and inflationary growth.

The sub-programme: Departmental Strategy provides for the facilitation of the departmental strategic planning processes, and the development, monitoring and evaluation of the overall performance management system of the department. This sub-programme also caters for the preparation of the department's APP and Strategic Plan, QPR, monitoring and evaluation functions, among others. The high 2016/17 amount catered for a comprehensive evaluation aimed at assessing the department's road safety programmes in order to reduce road carnage and traffic violations. The plan was to evaluate the effectiveness of various departmental programmes such as Vukuzakhe, Zibambele, bus subsidies, etc., as part of the monitoring and evaluation scope. The increase in the 2017/18 Adjusted Appropriation was to offset higher than budgeted salary costs. The 2018/19 MTEF increase caters for inflationary growth.

Compensation of employees reflects a fairly steady increase over the period due to the above-budget wage agreements, and the filling of critical posts. The growth rates of 9 per cent, 8 per cent and 8 per cent over the 2018/19 MTEF are in line with those prescribed by National Treasury. However, the growth in 2018/19 does not seem sufficient for the planned filling of the seven critical vacant posts. This will be reviewed by the department in-year.

Goods and services shows a fairly steady increase over the period. This category provides for maintenance of departmental buildings, SITA costs, communication costs, audit fees, travel agency fees, employee bursaries, legal costs and fleet services, among others. The increase in the 2017/18 Adjusted Appropriation is in respect of the higher than budgeted costs relating to the maintenance and rehabilitation of departmental buildings, which also accounts for the growth over the MTEF, as well as inflationary increments.

The 2014/15 amount against *Interest and rent on land* relates to interest paid to SARS for overdue payments in respect of the Zibambele contractors and Vukuzakhe emerging contractors, who changed their banking details without informing the department on time, hence SARS charged interest.

Transfers and subsidies to: Provinces and municipalities caters for the payment of motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts relates to the payments to CETA and TETA in respect of the levies in terms of the Skills Development Act. This is linked to *Compensation of employees* expenditure, hence the reduction in the 2017/18 Adjusted Appropriation due to slower than anticipated filling of vacant posts.

Transfers and subsidies to: Households caters for staff exit costs and external bursaries.

Machinery and equipment is mainly in respect of the replacement of computer and office equipment, vehicles, etc., that are damaged or obsolete, as well as equipment for new staff. The 2017/18 Adjusted Appropriation reduction was due to the non-filling of approved vacant posts, resulting in computer and office equipment and furniture not being required, among others. The 2018/19 MTEF increase caters for inflationary growth, as well as the purchase of machinery and equipment for new appointments.

Software and other intangible assets relates to computer software licences such as Microsoft. The department is not anticipating any purchases or renewals over the 2018/19 MTEF, but the category will be reviewed in future MTEFs.

Payments for financial assets relates to the write-off of irrecoverable staff debts and the implementation of the first charge. The amounts in 2015/16 and 2016/17 are in respect of the first and second instalments of the first charge for the 2013/14 unauthorised expenditure.

8.2 Programme 2: Transport Infrastructure

The purpose of this programme is to promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth. This programme includes all expenditure of a current and capital nature relating to the planning, design, construction, rehabilitation, maintenance and repair of all infrastructure, supporting all modes of transport. Tables 12.15 and 12.16 summarise the payments and budgeted estimates relating to Programme 2 for 2014/15 to 2020/21.

Table 12.15 : Summary of payments and estimates by sub-programme: Transport Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support Infrastructure	260 565	246 787	257 670	260 771	262 771	262 771	283 386	301 615	320 823
2. Infrastructure Planning	37 888	24 429	21 118	27 683	28 610	28 610	24 448	26 210	28 076
3. Infrastructure Design	26 741	35 295	37 140	42 691	41 642	41 642	44 190	47 459	50 882
4. Construction	3 675 620	4 032 842	3 530 726	3 424 685	3 699 931	3 699 931	3 436 542	3 504 869	3 754 059
5. Maintenance	2 820 705	2 637 670	3 207 708	3 422 053	3 372 175	3 372 175	3 671 656	3 788 980	3 967 613
Total	6 821 519	6 977 023	7 054 362	7 177 883	7 405 129	7 405 129	7 460 222	7 669 133	8 121 453

Table 12.16 : Summary of payments and estimates by economic classification: Transport Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	3 013 695	2 769 551	3 385 045	3 600 928	3 552 368	3 552 368	3 866 255	3 998 135	4 192 128
Compensation of employees	443 500	493 799	536 330	950 205	737 877	737 877	901 382	947 350	1 047 879
Goods and services	2 570 195	2 275 752	2 848 715	2 650 723	2 814 491	2 814 491	2 964 873	3 050 785	3 144 249
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	29 597	10 365	10 455	12 534	12 534	12 534	11 921	12 589	13 282
Provinces and municipalities	3 286	4 014	4 238	4 070	4 070	4 070	4 762	5 028	5 305
Departmental agencies and accounts	-	-	1	1	1	1	1	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	26 311	6 351	6 216	8 463	8 463	8 463	7 158	7 560	7 976
Payments for capital assets	3 778 083	4 196 784	3 657 779	3 564 421	3 839 667	3 839 667	3 582 046	3 658 409	3 916 043
Buildings and other fixed structures	3 675 620	4 032 842	3 530 726	3 424 685	3 699 931	3 699 931	3 436 542	3 504 869	3 754 059
Machinery and equipment	101 398	163 942	125 717	138 579	138 419	138 419	144 003	151 955	160 312
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 065	-	1 336	1 157	1 317	1 317	1 501	1 585	1 672
Payments for financial assets	144	323	1 083	-	560	560	-	-	-
Total	6 821 519	6 977 023	7 054 362	7 177 883	7 405 129	7 405 129	7 460 222	7 669 133	8 121 453

The sub-programme: Programme Support Infrastructure caters for the provision of operational support to programme managers, support staff and all related costs (including travel and subsistence), administrative support with regard to road proclamations and financial matters, as well as planning and design of construction projects for all regions. The sub-programme also provides for integrated network planning, route identification, environmental planning, land use management and technical support. The department appoints consultants to ensure that the delivery of infrastructure is according to agreed quality standards, timelines and budget. Also, the sub-programme addresses systematic deficiencies and challenges within the delivery system, which includes preparing high level reports, innovative process design, monitoring

and evaluation, training workshops, among others. The increase in the 2017/18 Adjusted Appropriation relates to the roll-over of R2 million for the planning of the cross-border crime fighting structure. The growth over the 2018/19 MTEF is mainly inflationary related.

The Infrastructure Planning sub-programme relates to the promotion and improvement of safety of the transport infrastructure, the facilitation of the provision of road safety audits on all roads and transport infrastructure to ensure safe traffic and people movement, the provision of data collection services, as well as research to provide management information for the provincial road network (such as road condition, traffic counts and accident data). The slight increase in the 2017/18 Adjusted Appropriation was due to reprioritisation to the sub-programme to cater for thefts and losses written off. The low 2018/19 and 2019/20 amounts in comparison to the 2017/18 Main and Adjusted Appropriation will be reviewed by the department. The outer year growth caters for inflationary increments.

The Infrastructure Design sub-programme provides for the design of road and transport infrastructure, including all necessary support functions such as Environmental Impact Assessments (EIAs), Traffic Impact Assessments (TIAs), surveys, expropriation of land, material investigations and testing. The sub-programme also caters for the Civil Engineering Designer (CED) software, which is used by infrastructure professionals to manage project performance and maintain consistent data and processes. The slight decrease in the 2017/18 Adjusted Appropriation was due to reprioritisation to the sub-programme: Infrastructure Planning. The growth over the 2018/19 MTEF is inflationary.

The Construction sub-programme caters for all road construction, upgrades and rehabilitation. The low 2016/17 expenditure was due to delays with the construction of the uMzimkhulu taxi rank. The increase in the 2017/18 Adjusted Appropriation was due to substantial reprioritisation from the sub-programme: Maintenance for higher than budgeted spending on various construction projects carried over from the previous year. The Adjusted Appropriation also included the roll-over of R25.246 million for the construction of bus lanes on Main Road P577 in the eThekweni Metro. Various projects will be undertaken over the MTEF, including the construction of new gravel roads, new blacktop roads, new causeways, new pedestrian and vehicular bridges, etc. The 2018/19 MTEF is inflationary related. This also explains the trend against *Buildings and other fixed structures*.

The sub-programme: Maintenance caters mainly for the maintenance of the provincial road network. This includes preventative, routine and emergency maintenance. This sub-programme has seen substantial reprioritisation to the sub-programme: Construction and other programmes due to slow progress with various maintenance projects. The reduction in the 2017/18 Adjusted Appropriation was due to savings realised from various maintenance projects that were delayed. The savings were moved to *Buildings and other fixed structures* to cater for spending pressures. The reduction was offset to some extent by additional funding allocated for disaster relief in respect of the flood damage that occurred in the province. The PRMG and EPWP Integrated Grant for Provinces allocations are housed under this category. The allocation for the PRMG was substantially reduced over the 2018/19 MTEF, while the EPWP Integrated Grant for Provinces sees a substantial increase in 2018/19 due to improved reporting by the department. The increase over the 2018/19 MTEF is inflationary, and 2020/21 includes additional funding for the above-budget wage agreement. The projects that will be undertaken over the MTEF include routine maintenance, re-gravelling and reseals, blacktop patching, safety and special maintenance. This also largely explains the trend against *Goods and services*. It should be noted that the payment of Zibambele contractors which was previously made from *Compensation of employees* is now shifted to *Goods and services*. This explains the increase in *Goods and services* in the 2017/18 Adjusted Appropriation. The prior years' and the 2018/19 MTEF figures have been adjusted accordingly.

Compensation of employees reflects a steady increase. The decrease in the 2017/18 Adjusted Appropriation was due to the budget for Zibambele contractors being shifted to *Goods and services* because the Zibambele contractors are not departmental employees, but are merely used by the department for routine road maintenance projects. The prior years' and the 2018/19 MTEF figures have been adjusted. The growth of 22 per cent in 2018/19 is to cater for the filling of approved vacant posts. However, this does not appear sufficient for the filling of 889 critical posts, and will be reviewed by the department in-year. The growth of 5 per cent in 2019/20 is below what National Treasury has prescribed,

and this will be reviewed by the department. The growth of 11 per cent in 2020/21 includes the additional allocation for the above-budget wage agreement, and caters for the filling of approved posts.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts caters for TV and radio licences.

Transfers and subsidies to: Households caters mainly for staff exit costs and injury on duty. The high 2014/15 amount included expenditure relating to the expropriation of land to land owners to compensate them for the use of their land for road construction.

Machinery and equipment provides for the purchase of trucks and mechanical plant, such as graders and tractors.

Software and other intangible assets provides for the purchase and upgrade of the CED software.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Transport Infrastructure

Table 12.17 illustrates some of the main service delivery measures pertaining to Programme 2. The performance indicators provided comply fully with the customised measures for the Transport sector, and non-sector measures are also included in the table.

Table 12.17 : Service delivery measures – Transport Infrastructure

Table 12.17: Service delivery measures – Transport infrastructure						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21
2. Transport Infrastructure						
2.1	Infrastructure planning	• No. of kilometres of surfaced roads visually assessed as per the applicable TMH manual	3 950	3 950	3 950	3 950
		• No. of kilometres of gravel roads visually assessed as per the applicable TMH manual	7 900	7 900	7 900	7 900
2.2	Construction	• No. of kilometres of gravel roads upgraded to surfaced roads	85	90	90	90
		• No. of square metres of surfaced roads rehabilitated	1 800 000	1 800 000	2 000 000	2 000 000
		• No. of kilometres of new gravel roads constructed	200	200	250	300
		• No. of square metres of non-motorised transport facility constructed	25 000	43 000	60 000	80 000
		• No. of new major vehicle bridges constructed	7	7	7	7
		• No. of new pedestrian bridges constructed	13	5	10	24
2.3	Maintenance	• No. of square metres of surfaced roads resealed	2 500 000	2 000 000	2 250 000	2 500 000
		• No. of kilometres of roads re-gravelled	2 200	2 200	2 300	2 500
		• No. of square metres of blacktop patching (including pothole repairs)	240 000	420 000	400 000	350 000
		• No. of kilometres of gravel roads bladed	95 000	90 000	90 000	90 000
		• Kilometres maintained by Zibambele contractors	21 095	21 500	21 500	22 000

8.3 Programme 3: Transport Operations

The purpose of this programme is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, community-based organisation (CBOs), non-governmental organisations (NGOs), and the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access. This includes all costs involved in public transport management and service delivery including the planning, and co-ordination of the operator in the transport industry.

The main functions of this programme include the development of policies and plans for public and freight transport service and supporting infrastructure, the regulation of public and freight transport services, and the enforcement of legislation in respect of public transport.

Tables 12.18 and 12.19 summarise payments and estimates relating to Programme 3 for the period 2014/15 to 2020/21.

Table 12.18 : Summary of payments and estimates by sub-programme: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support Operations	22 650	19 911	29 271	28 152	28 591	28 591	35 521	37 786	40 051
2. Public Transport Services	988 337	996 294	970 139	1 331 875	1 331 875	1 423 271	1 152 992	1 217 476	1 298 570
3. Transport Safety and Compliance	73 617	63 241	73 155	77 376	76 937	76 937	93 333	99 456	105 837
Total	1 084 604	1 079 446	1 072 565	1 437 403	1 437 403	1 528 799	1 281 846	1 354 718	1 444 458

Table 12.19 : Summary of payments and estimates by economic classification: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	97 790	86 140	61 285	365 650	365 634	457 030	175 540	186 459	197 928
Compensation of employees	31 657	35 303	37 676	40 152	40 136	40 136	45 922	49 679	53 627
Goods and services	66 133	50 837	23 609	325 498	325 498	416 894	129 618	136 780	144 301
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	985 366	993 182	1 011 202	1 071 496	1 071 512	1 071 512	1 106 214	1 168 162	1 246 428
Provinces and municipalities	1	8	11	12	12	12	13	14	15
Departmental agencies and accounts	-	-	4	5	5	5	5	5	5
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	984 952	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	413	117	102	40	56	56	42	44	46
Payments for capital assets	1 448	124	78	257	257	257	92	97	102
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 448	124	78	257	257	257	92	97	102
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 084 604	1 079 446	1 072 565	1 437 403	1 437 403	1 528 799	1 281 846	1 354 718	1 444 458

The sub-programme: Programme Support Operations caters for operational support to the programme managers, the support staff and all related costs (including travel and subsistence). The growth over the MTEF caters for inflationary increments.

The sub-programme: Public Transport Services mainly caters for the PTOG payments in respect of bus subsidies to operators. The steady increase in the sub-programme over the MTEF is due to the growth of the grant. The learner transport services function has been shifted back to DOE with effect from 2018/19, as mentioned. The prior years' and the 2018/19 MTEF figures have been adjusted accordingly. The slight decrease in the 2017/18 Adjusted Appropriation relates to reprioritisation resulting from slower than anticipated filling of approved vacant posts due to lengthy internal processes to the sub-programme: Transport Safety and Compliance. The high 2017/18 Revised Estimate includes the spending pressures of R102.294 million in respect of emergency learner transport services rendered. The main criteria used to identify learners in need of transport services is the distance (more than six kilometres) that they have to walk to/from schools. This does not include learners who walk the same distance to schools of their choice. The 2018/19 MTEF allocations are mainly in respect of the PTOG, and the grant allocation sees some cuts in 2018/19 and 2019/20 due to the fiscal consolidation programme, although additional funding has been allocated in 2020/21 for inflationary growth.

The sub-programme: Transport Safety and Compliance caters for the management, co-ordination and facilitation of transport safety and compliance in all modes with regard to related legislation, regulations and policies, monitoring of public transport operators in terms of national and provincial legislation to ensure safety of commuters, safety education and awareness, training and development of operators to enable them to provide the required level of service delivery, among others. The slight increase in the 2017/18 Adjusted Appropriation was due to reprioritisation from the sub-programme: Public Transport Services to provide for higher than budgeted salary costs. The growth over the MTEF is inflationary.

Compensation of employees reflects a steady increase, ascribed to the carry-through costs of the above-budget wage agreements, annual salary increases and inflationary adjustments. Provision has been made for the filling of 11 critical posts over the 2018/19 MTEF, hence the growth of 14 per cent in 2018/19. The growth rates of 8 per cent in 2019/20 and 2020/21 are in line with National Treasury guidelines.

Goods and services caters for various public transport, such as road safety events and campaigns. The decrease in 2015/16 and 2016/17 can be ascribed to the reduction in the number of events due to the implementation of cost-cutting measures. As explained, this category caters for the learner transport services function, which has been shifted to DOE, and prior years' and the 2018/19 MTEF figures have been adjusted. The high 2017/18 Revised Estimate includes the spending pressures of R102.294 million in respect of emergency learner transport services rendered. The growth over the MTEF is to cater for inflationary increments.

Transfers and subsidies to: Provinces and municipalities caters for the payment of motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts caters for TV and radio licences.

Transfers and subsidies to: Public corporations and private enterprises caters purely for transfer to bus operators in terms of the PTOG. The allocations in 2018/19 and 2019/20 have been reduced due to fiscal consolidation, but additional funding was allocated in 2020/21, as mentioned.

Transfers and subsidies to: Households is in respect of claims against the state (such as injury on duty).

Machinery and equipment caters for the replacement of computer and office equipment, etc., and the growth over the MTEF appear adequate for the planned new appointments.

Service delivery measures – Transport Operations

Table 12.20 illustrates some of the main service delivery measures applicable to Programme 3. The performance indicators comply fully with the customised measures for the Transport sector, and non-sector measures are also included in the table. The department undertook a thorough review of its service delivery measures and removed the measures indicated with “n/a” over the 2018/19 MTEF. These are provincial measures that the department has no control over in terms of their performance.

Table 12.20 : Service delivery measures – Transport Operations

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
3. Transport Operations					
3.1 Public Transport Services	<ul style="list-style-type: none"> No. of vehicles subsidised No. of routes subsidised No. of vehicle kilometres subsidised No. of kilometres operated per vehicle No. of passengers per vehicle No. of passengers per trip operated No. of staff per vehicle No. of subsidised passengers No. of unsubsidised passengers No. of trips subsidised No. of trips monitored % of trips monitored Subsidy per passenger No. of passenger trips subsidised No. of schools receiving learner transport services No. of learners transported No. of Provincial Regulatory Entity (PRE) hearings conducted (annual) 	1 320 1 702 41 888 710 31 730 4 340 59 2.2 142 680 23 740 1 198 870 839 210 70% R18.50 67 879 790 320 47 740 440	n/a 1 702 41 888 710 n/a n/a n/a n/a 142 680 n/a 1 198 870 n/a n/a R19 n/a n/a n/a n/a 450	n/a 1 702 41 888 710 n/a n/a n/a n/a 142 680 n/a 1 198 870 n/a n/a R19.50 n/a n/a n/a n/a 460	n/a 1 702 41 888 710 n/a n/a n/a n/a 142 680 n/a 1 198 870 n/a n/a R19.50 n/a n/a n/a n/a 460
3.2 Transport Safety and Compliance	<ul style="list-style-type: none"> No. of road safety awareness progs conducted No. of schools involved in road safety education progs No. of school children reached No. of adults reached No. of crossing patrols provided 	9 1 176 270 000 73 000 174	6 1 246 n/a n/a 200	6 1 320 n/a n/a 200	6 1 320 n/a n/a 200

8.4 Programme 4: Transport Regulation

The purpose of Programme 4 is to ensure the provision of a safe transport environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education and awareness programmes and the registration and licensing of vehicles and drivers. This includes all costs related to overall management of road traffic and safety in KZN.

Tables 12.21 and 12.22 summarise payments and estimates relating to Programme 4 for the period 2014/15 to 2020/21.

Table 12.21 : Summary of payments and estimates by sub-programme: Transport Regulation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support Regulation	350	623	2 371	2 410	7 809	7 809	3 068	3 256	3 435
2. Transport Administration and Licensing	103 481	118 156	119 822	133 770	133 741	133 741	140 195	150 761	161 705
3. Operator Licences and Permits	42 800	61 119	57 196	64 398	71 106	71 106	68 585	73 217	78 212
4. Law Enforcement	555 519	557 892	598 673	660 869	636 791	636 791	708 216	760 179	801 991
Total	702 150	737 790	778 062	861 447	849 447	849 447	920 064	987 413	1 045 343

Table 12.22 : Summary of payments and estimates by economic classification: Transport Regulation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	649 973	716 563	740 750	822 233	820 697	820 697	881 129	947 171	1 002 888
Compensation of employees	480 151	508 503	552 169	615 896	615 896	615 896	672 095	726 534	770 116
Goods and services	169 822	208 057	188 581	206 337	204 801	204 801	209 034	220 637	232 772
Interest and rent on land	-	3	-	-	-	-	-	-	-
Transfers and subsidies to:	2 802	2 116	3 483	3 716	5 017	5 017	3 935	4 155	4 383
Provinces and municipalities	750	480	475	812	812	812	857	905	954
Departmental agencies and accounts	-	-	4	-	-	-	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 052	1 636	3 004	2 904	4 205	4 205	3 075	3 247	3 426
Payments for capital assets	49 196	18 823	32 961	35 498	23 498	23 498	35 000	36 087	38 072
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	49 196	18 823	32 961	35 498	23 498	23 498	35 000	36 087	38 072
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	179	288	868	-	235	235	-	-	-
Total	702 150	737 790	778 062	861 447	849 447	849 447	920 064	987 413	1 045 343

The Programme Support Regulation sub-programme caters for operational support to the programme managers, the support staff and all related costs (including travel and subsistence). The low amounts from 2014/15 to 2015/16 can be ascribed to funds moved due to slower than anticipated filling of vacant posts, as well as resignations. The substantial increase in the 2017/18 Adjusted Appropriation was to provide for higher than budgeted costs relating to travel and subsistence for the board members for the various community structures (such as rural road transport forums, community road safety councils, etc.), that report to the department. This was once-off in 2017/18. The increase over the 2018/19 MTEF is mainly inflationary related.

The sub-programme: Transport Administration and Licensing facilitates and administers the effective functioning of motor transport services, such as the registration and licensing of vehicles and drivers, administering of vehicle registration and licensing transactions, etc. The growth over the MTEF is inflationary.

The sub-programme: Operator Licences and Permits caters for the statutory boards in the department relating to public transport and their expenditure, the salaries of staff who issue permits/operator licences in terms of the Public Transport Licensing Board and the Taxi Registrar, all costs involved in the processing

and issuing of operator licences and permits, costs related to the Provincial Regulatory Entity (PRE), as well as costs related to the issuing of permits for abnormal loads, and the transport of hazardous goods. The department decentralised the consolidated public transport regulation processes of the PRE in 2013/14 to regions in order to allow the lodging of applications for operating licences and permits for the public transport operators in the province to be more accessible. The increase in the 2017/18 Adjusted Appropriation was to provide for salary costs that were higher than budgeted. The low 2018/19 amount will be reviewed by the department. The increase in the two outer years of the 2018/19 MTEF is inflationary.

The sub-programme: Law Enforcement manages the public transport enforcement services and facilitates road traffic management through the employment of traffic officers who deal with law enforcement on roads, such as roadblocks, weighbridges, control of traffic, patrolling, screening, etc. This sub-programme also caters for the Traffic Training College that undertakes the theoretical and practical training of traffic officers. The decrease in the 2017/18 Adjusted Appropriation was in respect of savings associated with the non-filling of posts, resulting in less demand for computer and office equipment, two-way radios for motor vehicles, etc. These savings were moved to Programme 1. The allocations over the MTEF provide for the filling of critical posts, as well as inflationary growth.

Compensation of employees reflects steady growth, and caters for the carry-through costs of the above-budget wage agreements, as well as inflationary adjustments. The growth rates of 9 per cent in 2018/19 and 8 per cent in 2019/20 are in line with National Treasury guidelines, while the growth of 6 per cent in 2020/21 is below the guidelines, and will be reviewed by the department in the next budget process. Also, the growth in 2018/19 does not appear sufficient for the filling of planned 17 critical posts, and will be reviewed by the department.

Goods and services caters for vehicle registration and licensing of vehicles and drivers, administering of vehicle registration and licensing transactions, law enforcement and road safety campaigns, and these contribute to the growth over the MTEF. The slight reduction in the 2017/18 Adjusted Appropriation was due to savings associated with the non-filling of vacant posts, as well as reduced costs for items such as stationery, etc.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts caters for TV and radio licences.

Transfers and subsidies to: Households caters mainly for staff exit costs.

Machinery and equipment caters for computer equipment, as well as specialised equipment for vehicles for the Law Enforcement unit. The specialised equipment for vehicles is purchased under this programme, and not centralised under Programme 1, and includes traffic cameras, blue lights, two way radios, etc., designed for traffic officers. The substantial reduction in the 2017/18 Adjusted Appropriation was due to savings associated with the non-filling of posts, resulting in less demand for computer and office equipment, two-way radios for motor vehicles, etc. These savings were moved to Programme 1. The lower 2018/19 allocation compared to the 2017/18 Main Appropriation will be reviewed in-year. The two outer years' increase is mainly inflationary related.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Transport Regulation

Table 12.23 illustrates the main service delivery measures relating to Programme 4.

The performance indicators comply fully with the customised performance indicators for the Transport sector, and non-sector measures are also included in the table.

The target indicated as “n/a” means that the target is no longer applicable, as the department has no control over the measure.

Table 12.23 : Service delivery measures – Transport Regulation

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
4. Transport Regulation					
4.1 Transport Administration and Licensing	• No. of licence compliance inspections conducted	1 088	1 096	1 104	1 104
4.2 Operator Licences and Permits	• No. of operator permits converted to licences	100	n/a	n/a	n/a
4.3 Traffic Law Enforcement	• No. of speed operations conducted	18 250	18 250	18 250	18 250
	• No. of hours weighbridges operated	15 000	15 000	15 000	15 000
	• No. of goal directed enforcement of public transport (Operation Shanela) undertaken	880	880	880	880
	• No. of kilometres patrolled	6 090 000	6 090 000	6 090 000	6 090 000
	• No. of law enforcement officers employed	807	807	807	807
	• No. of vehicles stopped and checked	1 600 000	1 600 000	1 600 000	1 600 000
	• No. of heavy vehicles screened	3 200 000	3 200 000	3 200 000	3 200 000
	• No. of vehicles weighed	155 000	155 000	155 000	155 000
	• No. of drunken driving operations conducted	200	210	220	220

8.5 Programme 5: Community Based Programmes

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. Tables 12.24 and 12.25 summarise payments and estimates relating to Programme 5 for the financial years 2014/15 to 2020/21.

Table 12.24 : Summary of payments and estimates by sub-programme: Community Based Programmes

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Programme Support Community Based	6 383	6 675	6 638	7 616	6 616	6 616	8 151	8 732	9 351
2. Community Development	10 080	3 702	3 646	8 551	4 391	4 391	5 167	5 558	5 973
3. Innovation and Empowerment	11 688	8 681	16 739	13 080	18 240	18 240	17 801	18 950	19 992
4. EPWP Co-ordination and Monitoring	13 560	10 531	5 474	5 992	5 992	5 992	5 504	5 951	6 278
Total	41 711	29 589	32 497	35 239	35 239	35 239	36 623	39 191	41 594

Table 12.25 : Summary of payments and estimates by economic classification: Community Based Programmes

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	40 777	29 512	32 487	35 139	33 274	33 274	36 623	39 191	41 594
Compensation of employees	13 089	15 559	12 806	14 228	9 228	9 228	16 056	17 358	18 563
Goods and services	27 688	13 953	19 681	20 911	24 046	24 046	20 567	21 833	23 031
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	900	77	-	-	1 865	1 865	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	900	-	-	-	1 865	1 865	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	77	-	-	-	-	-	-	-
Payments for capital assets	34	-	-	100	100	100	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	34	-	-	100	100	100	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	10	-	-	-	-	-	-
Total	41 711	29 589	32 497	35 239	35 239	35 239	36 623	39 191	41 594

The sub-programme: Programme Support Community Based provides for the operational support to the programme manager, the support staff and all related costs (including office accommodation). The slight

decrease in the 2017/18 Adjusted Appropriation was due to slower than anticipated filling of approved vacant posts as a result of lengthy internal recruitment processes. The savings were moved to the sub-programme: Innovation and Empowerment. The 2018/19 MTEF reflects inflationary growth.

The sub-programme: Community Development caters for community development programmes, such as the development of Zibambele contractors, to bring about the development and empowerment of impoverished communities, as well as liaison through community based structures. The substantial decrease in the 2017/18 Adjusted Appropriation was due to slower than anticipated filling of approved vacant posts as a result of lengthy internal recruitment processes. The savings were moved to the sub-programme: Innovation and Empowerment. The allocations over the 2018/19 MTEF include ongoing provision for development programmes in respect of Zibambele contractors.

The sub-programme: Innovation and Empowerment caters for contractor development such as the pothole patching pilot programme, mentorship and training programmes for Vukuzakhe contractors, as well as learnerships. The fluctuation is mainly due to reprioritisation undertaken as a result of the non-filling of posts to Programme 2 in respect of the maintenance of the provincial road network. The increase in the 2017/18 Adjusted Appropriation was to cater for the higher than budgeted costs in respect of the pilot pothole patching programme that commenced toward the end of 2016/17. The programme was delayed in 2016/17 as a result of difficulty in finding a suitable mentorship contractor to undertake the training, development and mentoring of emerging contractors. Also, the increase was in respect of VECA for the monitoring of the Vukuzakhe emerging contractors for compliance to norms and standards. The increase over the 2018/19 MTEF is to cater for training programmes for Vukuzakhe contractors.

The EPWP Co-ordination and Monitoring sub-programme caters for costs related to the management and co-ordination of the EPWP programme.

Compensation of employees reflects an increasing trend over the period. The decrease in the 2017/18 Adjusted Appropriation was due to slower than anticipated filling of approved vacant posts as a result of lengthy internal recruitment processes. There is growth of 74 per cent in 2018/19, and this can be attributed to the substantial reduction in the 2017/18 Adjusted Appropriation, as well as provision made for the filling of eight vacant posts. The growth of 8.1 per cent in 2019/20 is in line with the National Treasury guidelines, however, the growth of 7 per cent in 2020/21 is below the guidelines, and will be reviewed by the department in the next budget process.

Goods and services relates to the development and training of Vukuzakhe and Zibambele contractors who undertake road maintenance work for the department. The increase in the 2017/18 Adjusted Appropriation was in respect of the higher than budgeted costs of the pilot pothole patching programme that commenced toward the end of 2016/17, as explained. The low 2018/19 amount compared to the 2017/18 Main Appropriation will be reviewed. The outer years' growth is inflationary.

Transfers and subsidies to: Public corporations and private enterprises is in respect of VECA for the monitoring of the Vukuzakhe emerging contractors for compliance to norms and standards. As a result of non-compliance by the association, the department has not allocated funds over the 2018/19 MTEF, and this will also be reviewed in-year. The funds are allocated to *Goods and services*.

Transfers and subsidies to: Households caters for staff exit costs.

Machinery and equipment caters for the replacement of computer equipment, vehicles, etc., that are damaged or obsolete. There is no allocation over the MTEF, and this will be reviewed, as the need arises.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Community Based Programmes

Table 12.26 reflects the main service delivery measures relevant to Programme 5. The performance indicators comply fully with the customised measures for the Transport sector, and non-sector measures are also included in the table.

Table 12.26 : Service delivery measures – Community Based Programmes

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21
5. Community Based Programmes						
5.1	Community Development	• No. of Zibambele contractors employed	42 190	43 000	43 000	43 000
		• No. of small contractors trained through Vukuzakhe emerging contractor development programme	500	500	500	500
5.2	EPWP Co-ordination and Monitoring	• No. of jobs created	72 200	58 260	63 000	60 000
		• No. of Full-Time Equivalents (FTEs)	26 066	19 000	20 000	21 000
		• No. of youth employed (18-35)	20 000	7 000	7 500	8 000
		• No. of women employed	45 000	40 000	41 000	42 000
		• No. of people living with disabilities employed	350	80	110	140
		• No. of employment days created	5 995 200	4 370 000	4 600 000	4 830 000

9. Other programme information

9.1 Personnel numbers and costs

Table 12.27 provides detail of the department's approved establishment and personnel numbers, per level and programme. The table also gives a breakdown of employees dispensation classification. The department is in the process of obtaining approval for the implementation of a proposed new organisational structure from DPSA, and has based the personnel numbers on the proposed new structure. The department plans to fill the 930 vacant posts in 2018/19, and there is the possibility that it will not be able to fill all the posts in 2018/19, but will spread them over the 2018/19 MTEF. Also, various factors such as lengthy internal recruitment processes, resignations, can delay the process of filling these posts.

It should be noted that Table 12.27 has been reviewed and revised by the department and, as such, the previous years' numbers in the table differ from the same table presented in the 2017/18 EPRE. This is due to the addition of contractor personnel, which was previously excluded. Also, the total number of posts in the new proposed organisational structure is 5 326, and the balance of 1 365 are interns, learnerships and contract workers.

Table 12.27 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate						Medium-term Estimates						Average annual growth over MTEF 2017/18 - 2020/21		
	2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		Pers. growth rate	Costs growth rate	% Costs of Total
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Addit. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs			
R thousands																					
Salary level																					
1 – 6	2 985	631 771	3 004	664 791	2 887	728 873	2 892	-	2 892	854 402	3 624	895 225	3 624	943 586	3 624	1 035 197	7.8%	6.6%	51.3%		
7 – 10	898	311 284	966	360 922	950	388 765	1 016	-	1 016	497 129	1 475	678 335	1 475	731 669	1 475	785 215	13.2%	16.5%	36.5%		
11 – 12	95	65 415	94	71 368	85	73 220	133	-	133	104 902	171	111 633	171	120 304	171	129 531	8.7%	7.3%	6.4%		
13 – 16	38	43 050	41	46 701	48	46 644	46	-	46	57 384	56	64 530	56	69 646	56	75 098	6.8%	9.4%	3.7%		
Other	1 268	24 311	1 264	26 280	1 294	28 409	1 340	-	1 340	30 856	1 365	40 149	1 365	42 642	1 365	45 414	0.6%	13.7%	2.2%		
Total	5 284	1 075 831	5 369	1 170 062	5 264	1 265 911	5 427	-	5 427	1 544 673	6 691	1 789 872	6 691	1 907 847	6 691	2 070 455	7.2%	10.3%	100.0%		
Programme																					
1. Administration	455	107 434	444	116 898	472	126 930	484	-	484	141 536	536	154 417	536	166 926	536	180 270	3.5%	8.4%	8.8%		
2. Transport Infrastructure	2 052	443 500	2 177	493 799	2 088	536 330	2 128	-	2 128	737 877	3 214	901 382	3 214	947 350	3 214	1 047 879	14.7%	12.4%	49.5%		
3. Transport Operations	81	31 657	76	35 303	78	37 676	84	-	84	40 136	95	45 922	95	49 679	95	53 627	4.2%	10.1%	2.6%		
4. Transport Regulation	2 664	480 151	2 645	508 503	2 605	552 169	2 703	-	2 703	615 896	2 810	672 095	2 810	726 534	2 810	770 116	1.3%	7.7%	38.3%		
5. Community Based Programmes	32	13 089	27	15 559	21	12 806	28	-	28	9 228	36	16 056	36	17 358	36	18 563	8.7%	26.2%	0.8%		
Total	5 284	1 075 831	5 369	1 170 062	5 264	1 265 911	5 427	-	5 427	1 544 673	6 691	1 789 872	6 691	1 907 847	6 691	2 070 455	7.2%	10.3%	100.0%		
Employee dispensation classification																					
PSA appointees not covered by OSDs	3 720	883 781	3 788	976 043	3 706	1 028 036	3 779	-	3 779	1 295 551	5 005	1 500 341	5 005	1 596 871	5 005	1 736 581	9.8%	10.3%	83.8%		
Legal professionals	3	2 632	3	2 632	4	2 838	8	-	8	4 530	9	5 422	9	5 834	9	6 271	4.0%	11.4%	0.3%		
Engineering prof. and related	293	165 107	314	165 107	300	206 628	300	-	300	210 192	312	243 960	312	262 500	312	282 189	1.3%	10.3%	13.7%		
Others (interns, EPWP, learnerships)	1 268	24 311	1 264	26 280	1 254	28 409	1 340	-	1 340	34 400	1 365	40 149	1 365	42 642	1 365	45 414	0.6%	9.7%	2.2%		
Total	5 284	1 075 831	5 369	1 170 062	5 264	1 265 911	5 427	-	5 427	1 544 673	6 691	1 789 872	6 691	1 907 847	6 691	2 070 455	7.2%	10.3%	100.0%		

¹ Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The personnel numbers over the 2018/19 MTEF reflect the department's proposed structure, including the 930 budgeted vacant posts. The number of personnel reflects a steady increase, and shows an average growth of 26 per cent from 2016/17 to 2019/20. The year-on-year growth of 16 per cent in 2018/19, 7 per cent in 2019/20 and 9 per cent in 2020/21 is largely in line with National Treasury's guidelines. As

explained, the high 2018/19 growth caters for the filling of posts pending the finalisation of the structure. However, this growth does not appear sufficient to cater for the filling of these posts, and will be reviewed by the department. The low 2019/20 amount will be reviewed by the department. The personnel budget largely caters for the 1.5 per cent pay progression.

The department shifted the budget for the payment of Zibambele contractors (estimated at 41 000) from this category to *Goods and services* during the 2017/18 Adjusted Appropriation. As such, the prior years' and MTEF figures have been adjusted. Also, additional funds were allocated by National Treasury in 2020/21 to cater for the above-budget wage agreement.

The departmental head count fluctuates from 2014/15 to 2017/18 as a result of the moratorium on the filling of non-critical posts, although approval was received in 2017/18 for the filling of 176 critical vacant posts.

The category *Others – Interns, EPWP, learnerships, etc.*, includes contract workers, interns, learnerships totalling 1 365.

9.2 Training

Table 12.28 gives a summary of spending and information on training for the period 2014/15 to 2020/21. The department's training budget reflects steady growth over the period, and caters for in-house and external training and capacity building. The growth over the 2018/19 MTEF is mainly inflationary related.

The training in Programme 1 relates to administrative functions. The training in Programme 2 is in respect of training for the Zibambele contractors relating to maintenance of the provincial roads. Under Programme 3, the training is in respect of safety and compliance such as road safety education, including pedestrian safety. The training under Programme 4 includes the costs for the Traffic Training College and the Technical Training Centre in respect of the training of traffic officers, and the training conducted under Programme 5 relates to training, learnerships and mentorships for the Vukuzakhe projects. It is unclear why there are no allocations from 2016/17, although the development training of the Vukuzakhe emerging contractors has commenced. The department will review this category in future MTEF periods.

Table 12.28 : Information on training: Transport

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	5 284	5 369	5 264	5 427	5 427	5 427	6 691	6 691	6 691
Number of personnel trained	846	1 465	1 612	1 773	1 773	1 773	1 950	2 060	2 173
of which									
Male	459	640	704	774	774	774	851	899	948
Female	387	825	908	999	999	999	1 099	1 161	1 225
Number of training opportunities	238	166	189	212	212	212	235	248	262
of which									
Tertiary	-	-	1	2	2	2	3	3	3
Workshops	9	48	58	68	68	68	78	82	87
Seminars	1	8	10	12	12	12	14	15	16
Other	228	110	120	130	130	130	140	148	156
Number of bursaries offered	96	123	178	144	144	144	168	177	187
Number of interns appointed	43	43	65	70	70	70	75	79	83
Number of learnerships appointed	2	21	20	20	20	20	20	21	22
Number of days spent on training	232	232	232	232	232	232	232	245	258
Payments on training by programme									
1. Administration	417	824	791	723	723	723	912	963	1 015
2. Transport Infrastructure	2 101	3 785	5 666	4 438	4 438	4 438	6 365	6 721	7 090
3. Transport Operations	64	2	1 175	1 254	1 254	1 254	1 328	1 402	1 479
4. Transport Regulation	852	1 876	355	497	497	497	400	422	445
5. Community Based Programmes	10	9	-	-	-	-	-	-	-
Total	3 444	6 496	7 987	6 912	6 912	6 912	9 005	9 508	10 029

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. To facilitate this process, the department is affiliated to the line function TETA and CETA. Table 12.28 reflects costs as per the *Training and development* item under *Goods and services*, and the associated costs such as *Travel and subsistence* are excluded.

ANNEXURE – VOTE 12: TRANSPORT

Table 12.A : Details of departmental receipts: Transport

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	1 481 126	1 490 173	1 599 531	1 597 163	1 597 163	1 637 955	1 694 050	1 760 059	1 825 350
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	1 481 126	1 490 173	1 599 531	1 597 163	1 597 163	1 637 955	1 694 050	1 760 059	1 825 350
Sale of goods and services other than capital assets	126 811	119 355	107 078	145 088	145 088	100 587	115 931	120 656	129 705
Sale of goods and services produced by department (excluding capital assets)	126 811	119 355	107 078	145 065	145 065	100 568	115 912	120 636	129 684
Sale by market establishments	5 831	6 069	6 459	9 963	9 963	6 650	7 257	7 664	8 085
Administrative fees	113 874	107 739	94 176	125 399	125 399	87 198	101 416	105 327	113 534
Other sales	7 106	5 547	6 443	9 703	9 703	6 720	7 239	7 645	8 065
Of which									
Commission	900	964	1 044	1 080	1 080	1 104	1 090	1 090	1 150
Boarding services	2 384	2 352	2 095	2 460	2 460	2 007	2 000	2 005	2 115
Course fees	386	298	2 651	460	460	573	500	501	529
Tender documents	1 682	1 800	200	5 693	5 693	5 663	2 500	2 600	2 743
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	23	23	19	19	20	21
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	43 476	45 671	47 257	40 948	40 948	38 460	57 733	61 147	58 901
Interest, dividends and rent on land	236	202	230	254	254	120	272	280	291
Interest	35	48	184	41	41	23	44	45	46
Dividends	23	25	28	27	27	30	30	31	32
Rent on land	178	129	18	186	186	67	198	204	213
Sale of capital assets	4 389	6 221	27 205	5 132	5 132	6 363	7 481	7 945	7 240
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	4 389	6 221	27 205	5 132	5 132	6 363	7 481	7 945	7 240
Transactions in financial assets and liabilities	369	3 358	2 928	2 176	2 176	8 899	2 324	2 400	2 496
Total	1 656 407	1 664 980	1 784 229	1 790 761	1 790 761	1 792 384	1 877 791	1 952 487	2 023 983

Estimates of Provincial Revenue and Expenditure

Table 12.B : Payments and estimates by economic classification: Transport

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	4 034 726	3 862 395	4 499 339	5 121 230	5 092 812	5 184 208	5 293 315	5 528 240	5 815 251
Compensation of employees	1 075 831	1 170 062	1 265 911	1 762 017	1 544 673	1 544 673	1 789 872	1 907 847	2 070 455
Salaries and wages	943 329	1 013 166	1 097 289	1 579 915	1 363 092	1 363 092	1 589 936	1 691 719	1 833 842
Social contributions	132 502	156 896	168 622	182 102	181 581	181 581	199 936	216 128	236 613
Goods and services	2 958 890	2 692 330	3 233 428	3 359 213	3 548 139	3 639 535	3 503 443	3 620 393	3 744 796
Administrative fees	1 632	1 864	7 314	1 727	1 727	1 727	8 263	8 715	9 194
Advertising	11 303	12 727	7 855	8 674	8 674	8 674	8 891	9 389	9 907
Minor assets	5 489	6 594	7 420	12 912	12 912	12 912	8 407	8 873	9 363
Audit cost: External	6 961	6 456	5 900	8 153	8 153	8 153	9 261	9 779	10 317
Bursaries: Employees	442	134	657	1 124	1 124	1 124	1 190	1 257	1 326
Catering: Departmental activities	7 393	5 559	4 582	6 283	6 283	6 283	5 168	5 456	5 754
Communication (G&S)	35 374	35 691	38 669	35 408	35 408	35 408	43 919	46 379	48 929
Computer services	45 673	48 669	66 214	59 691	66 691	66 691	65 736	70 832	74 728
Cons & prof serv: Business and advisory services	144 185	117 399	82 629	109 183	114 318	215 855	126 648	133 574	140 922
Infrastructure and planning	107 368	135 444	227 477	210 317	210 317	108 780	241 354	254 807	268 821
Laboratory services	435	513	588	545	545	545	660	697	735
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	19 053	22 854	27 965	22 426	22 426	22 426	29 872	31 640	33 380
Contractors	1 704 149	1 830 014	2 195 912	1 962 537	2 117 930	2 136 161	2 364 449	2 303 655	2 356 024
Agency and support / outsourced services	1 710	10 267	9 795	14 917	14 917	13 001	8 258	8 720	9 201
Entertainment	13	2	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	69 095	86 160	71 846	80 844	80 844	64 529	76 953	81 261	85 730
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	6 042	8 082	7 861	10 807	10 807	10 807	8 908	9 407	9 924
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	1 000	721	929	1 016	986	986	1 044	1 102	1 162
Inventory: Fuel, oil and gas	40 198	40 050	37 511	9 966	9 966	9 966	42 147	44 508	46 956
Inventory: Learner and teacher support material	394	342	188	190	190	190	211	223	235
Inventory: Materials and supplies	82 647	76 504	62 882	86 886	86 886	86 886	70 678	74 638	78 743
Inventory: Medical supplies	-	-	-	1	1	1	-	-	-
Inventory: Medicine	1 685	460	911	962	962	962	1 023	1 081	1 141
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	5 614	15 911	6 449	7 700	7 700	7 700	7 281	7 688	8 111
Consumable: Stationery, printing and office supplies	13 267	9 646	17 001	17 328	17 328	17 328	18 746	19 797	20 889
Operating leases	59 109	27 692	33 173	35 984	35 984	35 984	37 264	39 353	41 518
Property payments	86 956	96 855	126 997	100 948	117 507	117 507	149 940	157 945	166 246
Transport provided: Departmental activity	7 231	6 638	(53 403)	251 233	251 233	342 629	6 054	6 393	6 744
Travel and subsistence	59 687	61 052	73 234	64 958	70 357	70 357	82 747	87 378	92 181
Training and development	3 444	6 496	7 987	6 912	6 912	6 912	9 005	9 508	10 029
Operating payments	9 331	12 255	5 019	7 855	7 855	7 855	5 752	6 072	6 404
Venues and facilities	19 495	8 982	9 460	12 512	12 512	12 512	10 702	11 301	11 923
Rental and hiring	402 515	297	142 406	209 214	208 684	208 684	52 912	168 965	178 259
Interest and rent on land	5	3	-	-	-	-	-	-	-
Interest	5	3	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 028 292	1 016 815	1 033 393	1 099 193	1 100 816	1 100 816	1 132 250	1 195 656	1 275 434
Provinces and municipalities	4 093	4 537	5 093	4 986	4 986	4 986	5 729	6 049	6 381
Provinces	4 093	4 537	5 093	4 986	4 986	4 986	5 729	6 049	6 381
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	4 093	4 537	5 093	4 986	4 986	4 986	5 729	6 049	6 381
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4 522	1 608	3 986	6 058	4 499	4 499	4 478	4 728	4 988
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	4 522	1 608	3 986	6 058	4 499	4 499	4 478	4 728	4 988
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	985 852	993 057	1 011 085	1 071 439	1 073 304	1 073 304	1 106 154	1 168 099	1 246 362
Public corporations	985 852	993 057	1 011 085	1 071 439	1 073 304	1 073 304	1 106 154	1 168 099	1 246 362
Subsidies on production	984 952	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Other transfers	900	-	-	-	1 865	1 865	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	33 825	17 613	13 229	16 710	18 027	18 027	15 889	16 780	17 703
Social benefits	11 398	9 240	10 478	12 633	13 972	13 972	11 587	12 237	12 910
Other transfers to households	22 427	8 373	2 751	4 077	4 055	4 055	4 302	4 543	4 793
Payments for capital assets	3 845 558	4 245 464	3 712 163	3 626 601	3 879 847	3 879 847	3 636 482	3 713 956	3 973 600
Buildings and other fixed structures	3 675 620	4 032 842	3 530 726	3 424 685	3 699 931	3 699 931	3 436 542	3 504 869	3 754 059
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	3 675 620	4 032 842	3 530 726	3 424 685	3 699 931	3 699 931	3 436 542	3 504 869	3 754 059
Machinery and equipment	166 436	200 177	180 095	193 759	178 599	178 599	198 439	207 502	217 869
Transport equipment	156 474	187 026	142 692	175 573	160 365	67 265	181 263	190 205	200 172
Other machinery and equipment	9 962	13 151	37 403	18 186	18 234	111 334	17 176	17 297	17 697
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 502	12 445	1 342	8 157	1 317	1 317	1 501	1 585	1 672
Payments for financial assets	380	5 195	6 901	-	795	795	-	-	-
Total	8 908 956	9 129 869	9 251 796	9 847 024	10 074 270	10 165 666	10 062 047	10 437 852	11 064 285
Unauth. Exp. (1st charge) not available for spending	-	(4 553)	(4 553)	-	-	-	-	-	-
Baseline available for spending after 1st charge	8 908 956	9 125 316	9 247 243	9 847 024	10 074 270	10 165 666	10 062 047	10 437 852	11 064 285

Table 12.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	232 491	260 629	279 772	297 280	320 839	320 839	333 768	357 284	380 713
Compensation of employees	107 434	116 898	126 930	141 536	141 536	141 536	154 417	166 926	180 270
Salaries and wages	94 127	101 241	110 372	123 493	123 493	123 493	134 873	145 800	157 455
Social contributions	13 307	15 657	16 558	18 043	18 043	18 043	19 544	21 126	22 815
Goods and services	125 052	143 731	152 842	155 744	179 303	179 303	179 351	190 358	200 443
Administrative fees	350	396	431	321	321	321	513	542	572
Advertising	2 525	9 460	3 961	5 092	5 092	5 092	4 475	4 725	4 985
Minor assets	994	856	1 016	1 763	1 763	1 763	1 173	1 233	1 301
Audit cost: External	6 561	6 363	5 496	7 699	7 699	7 699	8 807	9 300	9 812
Bursaries: Employees	442	134	657	1 124	1 124	1 124	1 190	1 257	1 326
Catering: Departmental activities	1 929	2 841	505	760	760	760	568	599	631
Communication (G&S)	14 358	14 946	16 423	12 611	12 611	12 611	18 413	19 444	20 514
Computer services	32 007	32 222	56 545	46 522	53 522	53 522	55 175	59 680	62 962
Cons & prof serv: Business and advisory services	10 205	9 748	12 345	12 295	12 295	12 295	17 622	18 608	19 632
Infrastructure and planning	-	-	-	318	318	318	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	12 285	13 983	10 658	13 104	13 104	13 104	9 892	10 446	11 021
Contractors	15 202	15 528	7 368	9 363	9 363	9 363	14 821	15 596	16 453
Agency and support / outsourced services	1 317	2 297	5 350	8 121	8 121	8 121	3 261	3 444	3 634
Entertainment	13	2	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	2 222	5 001	3 558	5 359	5 359	5 359	3 773	3 984	4 203
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	16	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	473	433	512	541	541	541	575	607	640
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	262	267	188	190	190	190	211	223	235
Inventory: Materials and supplies	12	-	-	-	-	-	23	25	26
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	1 657	450	901	958	958	958	1 012	1 069	1 128
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	774	562	294	189	189	189	365	386	408
Consumable: Stationery, printing and office supplies	1 455	1 244	1 716	1 465	1 465	1 465	1 572	1 660	1 752
Operating leases	3 958	1 194	3 126	3 396	3 396	3 396	3 500	3 697	3 900
Property payments	4 474	7 716	5 410	6 058	22 617	22 617	13 327	13 681	14 048
Transport provided: Departmental activity	1 239	2 555	1 026	1 289	1 289	1 289	1 153	1 218	1 285
Travel and subsistence	8 810	11 045	13 570	15 114	15 114	15 114	15 779	16 663	17 580
Training and development	417	824	791	723	723	723	912	963	1 015
Operating payments	656	747	495	782	782	782	605	639	674
Venues and facilities	439	2 917	500	587	587	587	634	669	706
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	5	-	-	-	-	-	-	-	-
Interest	5	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	9 627	11 075	8 253	11 447	9 888	9 888	10 180	10 750	11 341
Provinces and municipalities	56	35	369	92	92	92	97	102	107
Provinces	56	35	369	92	92	92	97	102	107
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	56	35	369	92	92	92	97	102	107
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4 522	1 608	3 977	6 052	4 493	4 493	4 469	4 719	4 979
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	4 522	1 608	3 977	6 052	4 493	4 493	4 469	4 719	4 979
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 049	9 432	3 907	5 303	5 303	5 303	5 614	5 929	6 255
Social benefits	1 486	1 195	1 287	1 579	1 579	1 579	1 672	1 766	1 863
Other transfers to households	3 563	8 237	2 620	3 724	3 724	3 724	3 942	4 163	4 392
Payments for capital assets	16 797	29 733	21 345	26 325	16 325	16 325	19 344	19 363	19 383
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 360	17 288	21 339	19 325	16 325	16 325	19 344	19 363	19 383
Transport equipment	11 249	8 721	-	9 000	6 000	6 000	9 000	9 000	9 000
Other machinery and equipment	3 111	8 567	21 339	10 325	10 325	10 325	10 344	10 363	10 383
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	2 437	12 445	6	7 000	-	-	-	-	-
Payments for financial assets	57	4 584	4 940	-	-	-	-	-	-
Total	258 972	306 021	314 310	335 052	347 052	347 052	363 292	387 397	411 437
Unauth. Exp. (1st charge) not available for spending	-	(4 553)	(4 553)	-	-	-	-	-	-
Baseline available for spending after 1st charge	258 972	301 468	309 757	335 052	347 052	347 052	363 292	387 397	411 437

Table 12.D : Payments and estimates by economic classification: Transport Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	3 013 695	2 769 551	3 385 045	3 600 928	3 552 368	3 552 368	3 866 255	3 998 135	4 192 128
Compensation of employees	443 500	493 799	536 330	950 205	737 877	737 877	901 382	947 350	1 047 879
Salaries and wages	388 577	429 781	466 760	875 246	662 918	662 918	817 901	857 107	945 058
Social contributions	54 923	64 018	69 570	74 959	74 959	74 959	83 481	90 243	102 821
Goods and services	2 570 195	2 275 752	2 848 715	2 650 723	2 814 491	2 814 491	2 964 873	3 050 785	3 144 249
Administrative fees	468	569	5 908	603	603	603	6 637	7 009	7 395
Advertising	678	777	1 148	801	801	801	1 289	1 362	1 438
Minor assets	2 917	3 766	5 810	9 632	9 632	9 632	6 528	6 894	7 274
Audit cost: External	375	64	354	435	435	435	398	420	443
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 184	47	70	86	86	86	78	82	86
Communication (G&S)	10 351	9 804	10 536	11 011	11 011	11 011	11 838	12 501	13 188
Computer services	3 270	5 156	2 244	5 977	5 977	5 977	2 522	2 663	2 810
Cons & prof serv: Business and advisory services	89 288	68 751	16 160	36 341	38 341	139 878	18 157	19 174	20 229
Infrastructure and planning	107 368	134 834	222 641	209 373	209 373	107 836	240 967	254 398	268 390
Laboratory services	435	513	588	545	545	545	660	697	735
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 435	965	744	900	900	900	836	883	932
Contractors	1 661 440	1 771 782	2 166 826	1 920 777	2 083 105	2 101 336	2 314 996	2 251 488	2 300 989
Agency and support / outsourced services	82	6 684	3 259	5 374	5 374	3 458	3 663	3 868	4 081
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	34 603	54 250	34 374	37 969	37 969	21 654	38 623	40 786	43 029
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	3 993	3 257	2 277	4 490	4 490	4 490	2 558	2 701	2 849
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	228	215	294	354	324	324	330	348	367
Inventory: Fuel, oil and gas	40 152	39 991	37 483	9 945	9 945	9 945	42 116	44 475	46 921
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	81 169	75 664	62 784	86 758	86 758	86 758	70 544	74 495	78 592
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	27	7	10	4	4	4	11	12	13
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 091	1 949	3 749	4 269	4 269	4 269	4 212	4 447	4 692
Consumable: Stationery, printing and office supplies	2 590	2 953	3 185	3 347	3 347	3 347	3 579	3 780	3 988
Operating leases	34 559	2 452	9 134	9 551	9 551	9 551	10 262	10 837	11 434
Property payments	48 649	57 405	86 489	53 700	53 700	53 700	97 178	102 620	108 264
Transport provided: Departmental activity	3 413	730	-	111	111	111	-	-	-
Travel and subsistence	25 267	25 547	26 448	25 817	25 817	25 817	29 717	31 381	33 106
Training and development	2 101	3 785	5 666	4 438	4 438	4 438	6 365	6 721	7 090
Operating payments	3 454	3 789	2 306	4 276	4 276	4 276	2 591	2 735	2 885
Venues and facilities	4 526	13	-	-	-	-	-	-	-
Rental and hiring	402 082	33	138 228	203 839	203 309	203 309	48 218	164 008	173 029
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	29 597	10 365	10 455	12 534	12 534	12 534	11 921	12 589	13 282
Provinces and municipalities	3 286	4 014	4 238	4 070	4 070	4 070	4 762	5 028	5 305
Provinces	3 286	4 014	4 238	4 070	4 070	4 070	4 762	5 028	5 305
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	3 286	4 014	4 238	4 070	4 070	4 070	4 762	5 028	5 305
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	1	1	1	1	1	1	1
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	1	1	1	1	1	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	26 311	6 351	6 216	8 463	8 463	8 463	7 158	7 560	7 976
Social benefits	7 450	6 332	6 187	8 420	8 442	8 442	7 126	7 526	7 940
Other transfers to households	18 861	19	29	43	21	21	32	34	36
Payments for capital assets	3 778 083	4 196 784	3 657 779	3 564 421	3 839 667	3 839 667	3 582 046	3 658 409	3 916 043
Buildings and other fixed structures	3 675 620	4 032 842	3 530 726	3 424 685	3 699 931	3 699 931	3 436 542	3 504 869	3 754 059
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	3 675 620	4 032 842	3 530 726	3 424 685	3 699 931	3 699 931	3 436 542	3 504 869	3 754 059
Machinery and equipment	101 398	163 942	125 717	138 579	138 419	138 419	144 003	151 955	160 312
Transport equipment	99 275	161 039	112 054	135 019	134 811	41 711	140 763	148 646	156 822
Other machinery and equipment	2 123	2 903	13 663	3 560	3 608	96 708	3 240	3 309	3 490
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 065	-	1 336	1 157	1 317	1 317	1 501	1 585	1 672
Payments for financial assets	144	323	1 083	-	560	560	-	-	-
Total	6 821 519	6 977 023	7 054 362	7 177 883	7 405 129	7 405 129	7 460 222	7 669 133	8 121 453

Table 12.E : Payments and estimates by economic classification: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	97 790	86 140	61 285	365 650	365 634	457 030	175 540	186 459	197 928
Compensation of employees	31 657	35 303	37 676	40 152	40 136	40 136	45 922	49 679	53 627
Salaries and wages	28 556	31 681	33 850	36 048	36 032	36 032	41 238	44 618	48 163
Social contributions	3 101	3 622	3 826	4 104	4 104	4 104	4 684	5 061	5 464
Goods and services	66 133	50 837	23 609	325 498	325 498	416 894	129 618	136 780	144 301
Administrative fees	238	237	345	238	238	238	387	409	431
Advertising	7 876	2 153	2 547	2 473	2 473	2 473	2 862	3 022	3 188
Minor assets	49	18	18	680	680	680	17	18	19
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 303	2 593	3 614	4 998	4 998	4 998	4 060	4 287	4 522
Communication (G&S)	1 103	982	1 689	1 597	1 597	1 597	1 869	1 975	2 084
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	18 131	23 368	35 601	34 717	34 717	34 717	68 434	72 074	76 039
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	118	320	10 550	5 148	5 148	5 148	12 539	13 336	14 069
Contractors	6 866	3 527	2 087	2 150	2 150	2 150	12 110	12 788	13 491
Agency and support / outsourced services	220	175	-	176	176	176	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	767	821	304	247	247	247	347	366	386
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	21	58	40	40	40	65	69	73
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	238	-	10	11	11	11	12	13	14
Inventory: Fuel, oil and gas	(6)	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	274	-	40	42	42	42	45	48	51
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	799	615	129	159	159	159	145	153	161
Consumable: Stationery, printing and office supplies	1 320	1 309	1 025	950	950	950	1 152	1 216	1 284
Operating leases	332	343	335	368	368	368	377	398	420
Property payments	3 621	2 266	80	107	107	107	89	94	99
Transport provided: Departmental activity	(597)	788	(54 429)	249 833	249 833	341 229	3 039	3 209	3 385
Travel and subsistence	5 644	4 834	9 638	8 929	8 929	8 929	10 830	11 437	12 065
Training and development	64	2	1 175	1 254	1 254	1 254	1 328	1 402	1 479
Operating payments	2 209	312	254	369	369	369	316	334	352
Venues and facilities	14 248	5 896	8 094	10 347	10 347	10 347	9 095	9 604	10 132
Rental and hiring	316	257	445	665	665	665	500	528	557
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	985 366	993 182	1 011 202	1 071 496	1 071 512	1 071 512	1 106 214	1 168 162	1 246 428
Provinces and municipalities	1	8	11	12	12	12	13	14	15
Provinces	1	8	11	12	12	12	13	14	15
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1	8	11	12	12	12	13	14	15
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	4	5	5	5	5	5	5
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	4	5	5	5	5	5	5
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	984 952	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Public corporations	984 952	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Subsidies on production	984 952	993 057	1 011 085	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	413	117	102	40	56	56	42	44	46
Social benefits	413	-	-	-	16	16	-	-	-
Other transfers to households	-	117	102	40	40	40	42	44	46
Payments for capital assets	1 448	124	78	257	257	257	92	97	102
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 448	124	78	257	257	257	92	97	102
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 448	124	78	257	257	257	92	97	102
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 084 604	1 079 446	1 072 565	1 437 403	1 437 403	1 528 799	1 281 846	1 354 718	1 444 458

Table 12.F : Payments and estimates by economic classification: Transport Regulation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	649 973	716 563	740 750	822 233	820 697	820 697	881 129	947 171	1 002 888
Compensation of employees	480 151	508 503	552 169	615 896	615 896	615 896	672 095	726 534	770 116
Salaries and wages	420 305	436 291	474 773	532 346	532 267	532 267	581 491	628 591	666 468
Social contributions	59 846	72 212	77 396	83 550	83 629	83 629	90 604	97 943	103 648
Goods and services	169 822	208 057	188 581	206 337	204 801	204 801	209 034	220 637	232 772
Administrative fees	536	610	586	486	486	486	659	696	734
Advertising	171	272	53	72	72	72	60	64	68
Minor assets	1 526	1 954	576	837	837	837	689	728	769
Audit cost: External	25	29	50	19	19	19	56	59	62
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	331	78	380	416	416	416	427	451	476
Communication (G&S)	9 077	9 788	9 921	10 040	10 040	10 040	11 644	12 296	12 972
Computer services	10 396	11 291	7 122	7 192	7 192	7 192	8 039	8 489	8 956
Cons & prof serv: Business and advisory services	12 138	5 628	6 964	7 801	7 801	7 801	8 158	8 510	8 978
Infrastructure and planning	-	610	344	626	626	626	387	409	431
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4 215	7 586	5 394	3 274	3 274	3 274	5 570	5 882	6 205
Contractors	15 185	38 457	19 631	30 247	23 312	23 312	22 522	23 783	25 091
Agency and support / outsourced services	91	1 111	1 115	1 246	1 246	1 246	1 254	1 324	1 397
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	31 417	26 007	33 542	37 269	37 269	37 269	34 133	36 044	38 027
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	2 033	4 804	5 526	6 277	6 277	6 277	6 285	6 637	7 002
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	61	73	113	110	110	110	127	134	141
Inventory: Fuel, oil and gas	31	58	28	21	21	21	31	33	35
Inventory: Learner and teacher support material	132	75	-	-	-	-	-	-	-
Inventory: Materials and supplies	150	26	58	86	86	86	66	70	74
Inventory: Medical supplies	-	-	-	1	1	1	-	-	-
Inventory: Medicine	1	3	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 950	12 785	2 277	3 083	3 083	3 083	2 559	2 702	2 850
Consumable: Stationery, printing and office supplies	7 861	4 115	11 034	11 561	11 561	11 561	12 397	13 092	13 813
Operating leases	20 128	23 596	20 257	22 519	22 519	22 519	22 761	24 037	25 359
Property payments	30 212	29 468	35 018	41 083	41 083	41 083	39 346	41 550	43 835
Transport provided: Departmental activity	4	2 563	-	-	-	-	-	-	-
Travel and subsistence	17 939	17 689	21 732	12 961	18 360	18 360	24 155	25 507	26 909
Training and development	852	1 876	355	497	497	497	400	422	445
Operating payments	2 961	7 342	1 906	2 325	2 325	2 325	2 142	2 261	2 385
Venues and facilities	282	156	866	1 578	1 578	1 578	973	1 028	1 085
Rental and hiring	117	7	3 733	4 710	4 710	4 710	4 194	4 429	4 673
Interest and rent on land	-	3	-	-	-	-	-	-	-
Interest	-	3	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 802	2 116	3 483	3 716	5 017	5 017	3 935	4 155	4 383
Provinces and municipalities	750	480	475	812	812	812	857	905	954
Provinces	750	480	475	812	812	812	857	905	954
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	750	480	475	812	812	812	857	905	954
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	4	-	-	-	3	3	3
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	4	-	-	-	3	3	3
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 052	1 636	3 004	2 904	4 205	4 205	3 075	3 247	3 426
Social benefits	2 049	1 636	3 004	2 634	3 935	3 935	2 789	2 945	3 107
Other transfers to households	3	-	-	270	270	270	286	302	319
Payments for capital assets	49 196	18 823	32 961	35 498	23 498	23 498	35 000	36 087	38 072
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	49 196	18 823	32 961	35 498	23 498	23 498	35 000	36 087	38 072
Transport equipment	45 950	17 266	30 638	31 554	19 554	19 554	31 500	32 559	34 350
Other machinery and equipment	3 246	1 557	2 323	3 944	3 944	3 944	3 500	3 528	3 722
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	179	288	868	-	235	235	-	-	-
Total	702 150	737 790	778 062	861 447	849 447	849 447	920 064	987 413	1 045 343

Table 12.G : Payments and estimates by economic classification: Community Based Programmes

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	40 777	29 512	32 487	35 139	33 274	33 274	36 623	39 191	41 594
Compensation of employees	13 089	15 559	12 806	14 228	9 228	9 228	16 056	17 358	18 563
Salaries and wages	11 764	14 172	11 534	12 782	8 382	8 382	14 433	15 603	16 698
Social contributions	1 325	1 387	1 272	1 446	846	846	1 623	1 755	1 865
Goods and services	27 688	13 953	19 681	20 911	24 046	24 046	20 567	21 833	23 031
Administrative fees	40	52	44	79	79	79	67	59	62
Advertising	53	65	146	236	236	236	205	216	228
Minor assets	3	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	646	-	13	23	23	23	35	37	39
Communication (G&S)	485	171	100	149	149	149	155	163	171
Computer services	-	-	303	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	14 423	9 904	11 559	18 029	21 164	21 164	14 277	15 208	16 044
Infrastructure and planning	-	-	4 492	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	619	-	-	-	1 035	1 093	1 153
Contractors	5 456	720	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	71	-	-	-	80	84	89
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	86	81	68	-	-	-	77	81	85
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	21	1	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1 042	814	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	41	25	41	5	5	5	46	49	52
Operating leases	132	107	321	150	150	150	364	384	405
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	3 172	2	-	-	-	-	1 862	1 966	2 074
Travel and subsistence	2 027	1 937	1 846	2 137	2 137	2 137	2 266	2 390	2 521
Training and development	10	9	-	-	-	-	-	-	-
Operating payments	51	65	58	103	103	103	98	103	108
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	900	77	-	-	1 865	1 865	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	900	-	-	-	1 865	1 865	-	-	-
Public corporations	900	-	-	-	1 865	1 865	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	900	-	-	-	1 865	1 865	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	77	-	-	-	-	-	-	-
Social benefits	-	77	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	34	-	-	100	100	100	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	34	-	-	100	100	100	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	34	-	-	100	100	100	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	10	-	-	-	-	-	-
Total	41 711	29 589	32 497	35 239	35 239	35 239	36 623	39 191	41 594

Table 12.H : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	1 847 601	1 804 616	1 981 433	1 862 615	1 862 615	1 862 615	1 903 307	1 772 792	1 870 031
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	1 847 601	1 804 616	1 981 433	1 862 615	1 862 615	1 862 615	1 903 307	1 772 792	1 870 031
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	1 847 601	1 804 616	1 981 433	1 862 615	1 862 615	1 862 615	1 903 307	1 772 792	1 870 031
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing & office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Public corporations	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 752 384	2 729 382	2 992 479	2 934 054	2 934 054	2 934 054	3 009 461	2 940 891	3 116 393

Table 12.I : Payments and estimates by economic classification: Provincial Roads Maintenance grant (Prog 2: Transport Infrastructure)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 788 158	1 779 255	1 925 378	1 828 970	1 828 970	1 828 970	1 826 745	1 772 792	1 870 031
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	1 788 158	1 779 255	1 925 378	1 828 970	1 828 970	1 828 970	1 826 745	1 772 792	1 870 031
Contractors	1 788 158	1 779 255	1 925 378	1 828 970	1 828 970	1 828 970	1 826 745	1 772 792	1 870 031
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 788 158	1 779 255	1 925 378	1 828 970	1 828 970	1 828 970	1 826 745	1 772 792	1 870 031

Table 12.J : Payments and estimates by economic classification: Public Transport Operations grant (Prog 3: Transport Operations)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Public corporations and private enterprises	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Private enterprises	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Other transfers	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	904 783	924 766	1 011 046	1 071 439	1 071 439	1 071 439	1 106 154	1 168 099	1 246 362

Table 12.K : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 2: Transport Infrastructure)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	59 443	55 602	56 055	33 645	33 645	33 645	76 562	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	59 443	55 602	56 055	33 645	33 645	33 645	76 562	-	-
Contractors	59 443	55 602	56 055	33 645	33 645	33 645	76 562	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	59 443	55 602	56 055	33 645	33 645	33 645	76 562	-	-

VOTE 13

Social Development

Operational budget	R3 285 904 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R3 287 882 000
Responsible MEC	MEC for Social Development
Administering department	Social Development
Accounting officer	Head: Social Development

1. Overview

Vision

The vision of the Department of Social Development (DSD) is: *A caring and self-reliant society.*

Mission statement

The department's mission is: *To transform our society by building conscious and capable citizens through the provision of integrated social development services.*

Strategic objectives

Strategic policy direction: By focussing on its role in the enhancement of the quality of life of the people of KZN, the department seeks to align its operations and strategic position with the overall aim of government to ensure a long and healthy life for all, as well as to create sustainable rural communities. The strategic objectives of the department include the following:

Social welfare services

- To provide care and support social welfare services to older persons.
- To provide care and support social welfare services to persons with disabilities.
- To provide integrated community based-care services to persons affected and infected by HIV and AIDS.
- To provide emergency relief to distressed individuals and households.

Children and families

- To provide equitable services which promote functional families.
- To provide effective child care and protection services.
- To provide equitable access to Early Childhood Development (ECD) and partial care.
- To provide access to alternative care for vulnerable children.
- To provide community-based care services for children.

Restorative services

- To provide effective crime prevention and support services.
- To provide effective services to persons affected by substance abuse.
- To provide effective services to victims of crime and violence.
- To provide developmental social welfare services to persons, families and communities dependent and affected by substance abuse.

Development and research

- To promote effective and sustainable community networks.
- To provide effective support to Non-profit organisations (NPOs).
- To alleviate poverty through sustainable and effective community development initiatives.
- To provide reliable information on households and communities for effective social interventions.
- To provide an integrated and sustainable youth development service through skills development and social behavioural change programmes.
- To provide capacity building and socio-economic empowerment opportunities for women.
- To provide effective youth development services.
- To provide effective support structures for women development.
- To promote population policy implementation for evidence-based planning.

Core functions

- To provide developmental social welfare services.
- To provide community development services.

Legislative mandate

In carrying out these core functions, the department is governed by various Acts and policies. The basic tenets of the Constitution, as embodied in Chapter 2, contain the Bill of Rights, which emphasises equality, human dignity, freedom and security of the person, health care, food, water and social security and the rights of the child. The department administers all or part of the following Acts:

- The Constitution of South Africa (Act No. 108 of 1996)
- Non-profit Organisations (NPOs) Act (Act No. 71 of 1997)
- Social Services Professions Act (Act No. 110 of 1978, as amended)
- Children's Act (Act No. 38 of 2005, as amended)
- Child Justice Act (Act No. 75 of 2008)
- Older Persons' Act (Act No. 13 of 2006)
- White Paper on Population Policy for South Africa of 1998
- Probation Services Act (Act No. 116 of 1991, as amended)
- Prevention and Treatment of Drug Dependency Act (Act No. 20 of 1992)
- Domestic Violence Act (Act No. 116 of 1998)
- White Paper on Social Welfare, 1997
- Prevention of and Treatment for Substance Abuse Act (Act No. 70 of 2008)
- Advisory Board on Social Development Act (Act No. 3 of 2001)
- Social Assistance Act (Act No. 59 of 1992)
- Social Work Act (Act No. 102 of 1998)
- Skills Development Act (Act No. 9 of 1998)
- Prevention and Combatting of Trafficking in Persons Act (Act No. 7 of 2013)
- National Qualifications Framework Act (Act No. 67 of 2008)

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Services to older persons

The department capacitated social workers, municipal co-ordinators and NPOs on the Older Persons Act, as well as departmental staff on Alzheimers and Dementia. The department also commemorated World Elder Abuse Day in KwaHlabisa and participated in the provincial and national Golden Games in Ugu and the eThekwin Metro in partnership with other stakeholders.

Inter-generational programmes were implemented in all districts. Awareness was raised on the promotion of the rights of older persons during the Senior Citizens Parliament and during the Commemoration of International Day of Older Persons. The department supported 308 service centres and 42 old age homes. A total of 22 cases of elderly abuse were reported and psycho-social support was provided in this regard.

Services to persons with disabilities

Departmental staff were capacitated on the White Paper on the rights of the disabled and the community-based rehabilitation programme, which was piloted in uMzinyathi. The department intensified awareness campaigns on albinism and a pilot project was implemented at uMhlabuyalingana as informed by the rise in killings of persons with albinism in the area. The department assessed 208 children with disabilities in three pilot sites for the Izingane Kuqala project to promote and support the empowerment of children with disabilities, increase access of services for children with disabilities and the realisation of the rights of persons with disabilities in a holistic manner. The department participated in awareness programmes on the promotion and protection of the rights of persons with disabilities during Disability Parliament and the Commemoration of International Day of Persons with Disabilities. A total of 45 protective workshops and 21 residential facilities for persons with disabilities were funded, reaching 1 070 people. These programmes entail the continuous provisioning of 24-hour, or temporary care, non-medical care and supervision to persons with disabilities, as well as providing basic services aimed at meeting the emotional, physical and social development needs of people with disabilities.

HIV and AIDS programme

The department funded 230 Home and Community-Based Care (HCBC) organisations providing social behaviour change and psycho-social support programmes to orphaned and vulnerable children and people infected and affected by HIV and AIDS. The department developed and implemented the HCBC Re-Engineering Model, which focuses on prevention and awareness programmes responding to the high rate of new infections, mainly among teenagers. Other social behaviour change programmes to reduce HIV infections, focusing on adolescent girls and young women, were implemented through partnerships with the Global Fund in the King Cetshwayo District and the PEPFAR (President's Emergency Plan For AIDS Relief) DREAMS (Determined, Resilience Empowered AIDS Free Mentored and Safe) programme in eThekwin, uMgungundlovu and uMkhanyakude Districts.

Through partnership with the National Department of Social Development and the German Development Bank, six Community Care Centres (CCCs) were established, of which five were handed over to the following communities: Charlestown (Newcastle Municipality), Nibela (Big Five/Hlabisa Municipality), Esidumbini (Ndwedwe Municipality), eDlebe (Ulundi Municipality) and Stoffelton (Impendle Municipality). Approximately 65 025 community members have benefitted from this programme. The sixth CCC in Bethany (Okhahlamba Municipality) is currently under construction.

Social relief of distress (SRD)

The department provided SRD support to 2 314 identified households. Roadshows on the approved SRD policy and standard operating procedures were conducted in all districts.

Care and support services to families

Fatherhood programmes were upscaled and implemented in all districts, reaching 1 772 men and boys. Capacity building programmes were strengthened through training 80 officials and stakeholders on the MenCare+ programme. The department participated in the Social Cohesion and Moral Regeneration Summit held in KwaMashu, and reached 224 beneficiaries through capacity building on the Let's Talk Parenting programme in all districts. New parenting programmes were implemented, namely Families Matter and Sinovuyo programmes. Families Matter is a parenting programme targeting parents with children between the ages of 6 to 12 years and Sinovuyo focusses on parents with teenagers between the ages of 13 and 18 years. Advocacy and awareness campaigns focusing on the promotion of healthy

family life were implemented on International Day of the Family in Nquthu, reaching 2 000 people. National Marriage Week was commemorated in all district municipalities and 712 couples were reached. International Men's Day was observed in state facilities, reaching 250 men and boys.

Child care and protection services

The department finalised various strategies and guidelines to guide the implementation of child care and protection services. These include the protocol for management of Child Abuse, Neglect and Exploitation (CANE), the draft provincial strategy on Prevention and Early Intervention Programmes (PEIP), as well as guidelines for the implementation of holiday programmes. The department trained 494 departmental and other stakeholders on the Children's Act, as well as policies and guidelines related to child care and protection. The provincial Child Protection Week was commemorated in KwaMashu reaching 2 000 children, and this was preceded by build-up activities across all districts. A total of 312 cases of child abuse matters were reported and received psycho-social support.

ECD and partial care

As part of improving the provision of ECD services, the Provincial Integrated ECD Action Review was finalised and implementation commenced. The department formalised a partnership with the Assupol Community Trust to provide ECD infrastructure support and improvement to the Msinga and Nquthu Local Municipalities. A total of 40 ECD centres were selected for infrastructure improvement. A further 117 ECD centres were selected to benefit from the maintenance component of the ECD grant so that they meet norms and standards for full registration as ECD centres. A total of 542 ECD centres received a subsidy through the grant.

Alternative care

The department continued to fund 73 child and youth care centres (CYCCs) benefiting 4 344 children, including children in eight state-owned CYCCs. A total of 7 329 children were placed in foster care and 49 children were approved for adoption. As at the end of November 2017, there were 111 344 children who are beneficiaries of the foster care grant. The department conducted an in-depth assessment of CYCCs and other residential facilities to improve compliance with the Occupational Health and Safety Act, norms and standards and other relevant regulations.

Community-based care and support services for children

The department continued to implement the Isibindi Model, reaching approximately 54 439 children. The model is for care and support to orphaned and vulnerable children and their families. Its overall goal is to facilitate the creation of safe and caring communities for children at risk, with specific attention to families made vulnerable by the impact of HIV and AIDS, especially child-headed households. This programme created approximately 1 678 job opportunities for the youth.

Crime prevention and support

The department assessed 2 602 children in conflict with the law in terms of the Child Justice Act. A total of 932 children were referred for diversion programmes, with 717 completing these programmes. The department continues to manage four state-owned CYCCs rendering secure care programmes, namely Excelsior, Valley View, Ocean View and Sinethemba.

Victim empowerment

The department implemented a programme for abused women and children in 20 shelters and 17 White Door Centres in all districts. This programme provides a safe home where abused women and their children seek shelter for a period of up to six months while receiving counselling and psycho-social support. The accreditation of shelters for victims of human trafficking commenced in four pre-accredited shelters, namely Abrina Esther House (Msunduzi Municipality), Newcastle Crisis Centre (Newcastle Municipality), as well as Open Door and Ethembeni (eThekweni Metro). Inter-sectoral collaboration with stakeholders was strengthened through the co-ordination of the Provincial Victim Empowerment Forum and the establishment of Victim Empowerment Forums in Harry Gwala, King Cetshwayo, Amajuba and uMkhanyakude Districts. The process of establishing therapy rooms in the Valley View, Princess Mkabayi and Greenfields CYCCs, Newlands Park Centre, Madadeni Rehabilitation Centre and Sinethemba Secure Care Centre commenced. These are dedicated rooms where clients will receive highly

specialised counselling and support by the social workers who have received specialised training in for example, trauma, addiction and mental health issues. The department established trauma response teams in all departmental local offices to respond to families and communities affected by disasters.

Substance abuse programme

The department intensified the implementation of the National Drug Master Plan. The 11 District Forums and 67 Local Drug Action Committees were monitored to strengthen functionality. To curb the scourge of substance abuse, prevention programmes were intensified, reaching 200 143 children who are 18 years and below and 127 823 people who are above 18 years. Five in-patient treatment centres were registered, of which four are private and one is a state treatment centre. The department funded and monitored 18 NPOs in the field of substance abuse. A total of 1 266 users accessed in-patient treatment services in funded treatment centres and 2 379 users accessed out-patient services. The department hosted the KZN Provincial Anti-Substance Abuse Summit on 26 - 27 June 2017.

Community mobilisation

As part of inclusive planning to curb the increasing scourge of social ills in communities, the department prioritised the mobilisation of communities through dialogues in seeking community-based solutions. Youth, women and the elderly were mobilised to reduce the impact of teenage pregnancy, abuse of the elderly and identification of community needs to improve service delivery in communities. More than 154 397 people were reached through community mobilisation programmes.

Institutional capacity building and support

The department supported 1 676 NPOs through registration, compliance monitoring and support, as well as providing institutional capacity building. A total of 5 108 NPOs were capacitated on governance issues such as financial management, project management, conflict management, among others. The NPO Forums, which provide a platform for co-ordination and communication, were strengthened through institutionalisation and support in all local municipalities.

Poverty alleviation and sustainable livelihoods

The role of Community Nutrition Development Centres (CNDCs) contributed to the poverty eradication programme by ensuring that food insecure and vulnerable individuals and households are catered for to improve access to food, alleviating food insecurity and providing skills development for sustainability. A total of 44 CNDCs were established in the most deprived wards, reaching 10 780 beneficiaries. Approximately 12 871 job opportunities were created.

Community-based research and planning

In ensuring the participation of poor people in the most deprived wards, 672 community profiles were conducted and 631 ward-based plans were developed. These plans contribute to the development of Integrated Development Plans.

Youth development

Support was provided through various capacity building initiatives to 554 youth development structures including youth clubs, youth NPOs and youth forums. These initiatives enhanced the ability of these organisations to perform a number of youth mobilisation programmes in communities, where more than 64 830 young people were reached. The department also ensured that more than 8 099 youth accessed various life and vocational skills development programmes through the two Youth Development Academies in Vuma (King Cetshwayo) and Esicabazini (uMkhanyakude) and 11 youth development centres. A total of 550 youth from vulnerable and impoverished backgrounds were identified to participate in the Service SETA Learnership project, to enhance their employment prospects.

Women development

The department provided financial support to 48 women-led NPOs that participated in socio-economic empowerment initiatives, such that 7 400 women were exposed to entrepreneurial, financial literacy, business skills and mentorship. The department strengthened its support to rural women through formations/structures to encourage more women to participate in socio-economic activities. A total of 38 751 women participated in programmes such as life-skills, legal and human rights awareness, HIV and AIDS, teenage pregnancy, gender-based violence workshops, drug and substance abuse programmes.

Population policy promotion

In respect of evidence-based planning, the department commenced with the second phase of research projects on Substance Abuse Minimisation Intervention Programme and Psycho-social Analysis of Sexual Abuse Offenders. The Evaluation of the Population Policy Implementation Research project commenced, which will provide information on the extent of the population policy implementation by various stakeholders. The department conducted inter-generational communication dialogues on Sexual Reproductive Health and Rights (SRHR) for youth and adolescents in collaboration with the National Department of Social Development and the United Nations Population Fund (UNFPA) in the King Cetshwayo and uThukela Districts.

3. Outlook for 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments. The bulk of the budget allocation is for the provision of personnel. The department will continue to utilise these funds towards the provision of social work practitioners in an effort to meet the norms and standards as set out in the Integrated Service Delivery Model. The MTEF budget includes national priority funding allocated for the improvement of the quality of services provided by NPOs. The Social Worker Employment grant will be used to fund the carry-through costs of the 166 social workers that were absorbed in 2017/18. From 2017/18 onward, the department receives significant additional funding in the form of a new conditional grant, namely the ECD grant to fund NPOs, with some funding to assist in the maintenance of ECD facilities. In 2018/19, the department receives additional funding for no abuse against women. Also, following the rationalisation process of 2016/17 and 2017/18, while funding is now provided for the 6 per cent carry-through costs for NPOs, the department has budgeted to maintain NPOs tariffs at the current level, which will be reviewed in-year.

Services to older persons

The department will continue to implement programmes for care, protection and support to older persons, such as community-based care services, residential care and inter-generational programmes in all district municipalities. The department will continue to train its staff and NPOs on relevant legislative and policy mandates. Awareness and prevention programmes on elder abuse will be intensified.

Services to persons with disabilities

The department will intensify awareness programmes on the rights of persons with disabilities. Community-Based Rehabilitation programmes being implemented in uMzinyathi will be evaluated with a view of rolling them out to other districts in ensuing years. The department will establish and maintain a database of persons with disabilities eligible for employment across all district municipalities. Awareness programmes on the abuse of people with albinism will be conducted across all district municipalities. The focus of support groups for parents and care givers of children with learning disabilities will be on Dyslexia and Autism. The department will implement the Izingane Kuqala project in the Zululand, uMzinyathi, Amajuba and uMkhanyakude District Municipalities, but at a higher scale than before.

HIV and AIDS programme

The management capacity of CCCs will be strengthened and developed to target Orphans and Vulnerable Children and Youth (OVCY), and this will include children and youth with disabilities. The department will continue to intensify social and behaviour change programmes and strengthen its partnership programmes with the Global Fund's Cash and Care programme and PEPFAR DREAMS. The department will continue to implement the HCBC Re-Engineering Model in a phased-in approach.

Social relief of distress (SRD)

As a measure to ensure the provisioning of care, support and protection to individuals, families and communities in distress, the department will continue to provide the SRD programme.

Care and services to families

The departmental programme for care and support services to families will be intensified to promote building stronger and more resilient families in line with the Provincial Social Ills Strategy. The

uMzinyathi, Amajuba, uThukela, Harry Gwala and uMkhanyakude District Municipalities will be targeted in this regard. Fatherhood programmes will be upscaled and implemented in all districts. Family preservation services will be strengthened, targeting families at risk and other vulnerable caregivers and single parents. Marriage enrichment programmes will be intensified. Advocacy campaigns will be strengthened through the commemoration of the International Day for Families, National Marriage Week and International Men's Day.

Child care and protection services

Focus will be on monitoring the implementation of the Prevention and Early Intervention programmes to ensure compliance to the Children's Act. The department will also monitor compliance by provincial and district officials to the CANE protocol for management. The department will continue to facilitate intersectoral child care and protection forums at district and provincial level.

Early childhood development and partial care

The Provincial Integrated ECD Action Plan will be implemented and the ECD grant will be used to increase access to ECD services and compliance to norms and standards by conditionally registered ECD centres will be improved so that they move to full registration status. The department will expand non-centre based ECD services through implementation of the ECD mobile programme for stimulation of children in rural communities.

Alternative care

Children and compliance to statutory requirements in alternative care placements, including family reunification services, will be monitored. The department will continue to fund CYCCs managed by NPOs, as well as state-owned centres. Effective management of adoption services will be strengthened.

Community-based care services to children

The department will continue to render community-based care services and support to orphaned and vulnerable children and youth focusing on early intervention and prevention services, where there is a high burden of vulnerability. The department's focus will be on monitoring implementation of integrated strategies and standardised programmes for children living and working on the streets.

Crime prevention and support

The department will prioritise full implementation of the Integrated Social Crime Prevention Strategy in identified areas with a high crime rate and will address equity and spatial distribution of its services and programmes. The assessment of children in conflict with the law, diversion programmes for children, and the provision of secure care services are key competencies of the department, hence the department will support and strengthen district municipalities rendering diversion services and programmes. There will be emphasis on capacity building of staff and the development of policies to inform standardised practice.

Victim empowerment programme

The department will expand Victim Empowerment programmes and services to address the shortfall in services and spatial distribution. White Door Centres of Hope will be upscaled in uMgungundlovu, uMzinyathi, Ugu, uThukela and Zululand District Municipalities. Shelters rendering services and programmes to victims of human trafficking will be accredited in line with the Prevention and Combating of Trafficking in Persons Act. Prevention and awareness on human trafficking and gender-based violence programmes will be strengthened, and emphasis will be placed on prevention of intimate partner violence and gender-based violence. The existing shelters for abused women and the White Door Centres of Hope will be linked to economic opportunities in order to break the cycle of abuse. The department will establish a shelter for men who are victims of human trafficking and other forms of abuse. In addition, the department will also establish two fully functional therapy rooms in existing facilities.

Substance abuse programme

The department will ensure full implementation of the Prevention of and Treatment for Substance Abuse Act. Prevention and awareness programmes will be intensified in all district municipalities, targeting periods where children and youth are most vulnerable. In addition, the department will be piloting the community-based treatment model which includes aftercare services in five district municipalities, namely eThekweni, Ugu, uMgungundlovu, uMkhanyakude and uThukela. The department will continue

to fund NPOs and state-owned treatment centres. The department will co-ordinate the implementation of the Provincial Anti-Substance Abuse Summit resolutions with all relevant stakeholders.

Community mobilisation

The department will continue to mobilise communities in order to eradicate social ills. Community mobilisation will be conducted within the context of OSS. The mobilisation activities in the form of dialogues and outreach programmes will be implemented at the community level to enhance planning and to address social ills such as human trafficking, substance abuse, teenage pregnancy and HIV and AIDS.

Community-based research and planning

Through community dialogues, community outreach programmes and community profiles, the department will ensure the inclusion of social issues in municipalities' Integrated Developmental Plans.

Institutional capacity building and support

The department will enhance capacity building of NPOs through rigorous quality assurance processes. In this regard, the department will use accredited training providers and support materials. All trained NPOs will be exposed to mentoring, coaching and incubation programmes in order to ensure that theoretical knowledge obtained during training is translated into practice. The decentralisation process of NPO help desks at service office level will be continued. The NPO Forums at local, district and provincial levels will be strengthened and supported to enhance communication on policy and operational matters.

Poverty alleviation and sustainable livelihoods

The current 42 CNDCs will be maintained and a further two will be established to ensure that individuals and households who continue to suffer from vulnerabilities of poverty and food insecurity get nutritional support. In order to enhance the functionality of CNDCs, the department will upscale the implementation of defined exit plans for beneficiaries through skills development, employment opportunities through EPWP and other income generating projects. Linkages with radical economic transformation will be forged in partnership with other government departments and municipal agencies. A total of 12 income-generating projects will be established for the purpose of exiting CNDC beneficiaries. To assess the performance of the CNDC programme, the department will commission four evaluation studies.

Youth development

The department will continue to implement integrated youth development programmes in its two Youth Development Academies in King Cetshwayo and uMkhanyakude District, as well as 11 Youth Development Centres across the province. The partnership with Services SETA will see the enrolment of 550 young people into learnership programmes. In view of the increasing challenges faced by the youth, the department will enhance the manner in which it addresses these problems by calling for proposals of solutions from competent NPOs to implement innovative youth development programmes. This is a pilot project to be implemented in the Harry Gwala District.

Women development

The department will pilot a women development project in the Harry Gwala District and this will assist in planning and implementing women development programmes. The department will prioritise its strategic partnership with organised women formations and the business sector to support women-led NPOs on capacity building and mentorship to encourage more women to participate in socio-economic activities. An evaluation study will be conducted to assess the efficacy of women development programmes.

Population policy promotion

Research projects planned for 2018/19 are the second phase Substance Abuse Minimisation Intervention Programme and Psycho-social Analysis of Sexual Abuse Offenders projects. Demographic profiles of all district municipalities will be compiled to inform planning for departmental programmes.

4. Reprioritisation

The department undertook reprioritisation totalling R18.309 million (with carry-through over the MTEF) from Programme 2: Social Welfare Services, Programme 4: Restorative Services and Programme 5: Development and Research. These funds were moved to Programme 3: Children and Families. The funds

were reprioritised from *Transfers and subsidies to: Non-profit institutions* in Programmes 2 and 4 and from *Goods and services* in Programme 5 and these were allocated to Programme 3 against ECD and Partial Care and Child and Youth Care Centres to cater for the increasing number of children in need of these services.

5. Procurement

To bolster the effectiveness of the SCM function, the department appointed three Administration Clerks, an Administration Officer and an Assistant Director. In addition, numerous workshops were held, such as SCOA training and training on the acquisition process to comply with all relevant prescripts to avoid irregular expenditure. For 2018/19, further training will be held and eight further SCM practitioners will be appointed.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 13.1 gives the sources of funding for DSD over the seven-year period, 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments. Details are presented in *Annexure – Vote 13: Social Development*.

The budget reflects an upward trend over the seven-year period, with the total receipts increasing from R2.459 billion in 2014/15 to R3.711 billion in 2020/21, despite the budget cuts.

Table 13.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	2 453 014	2 627 481	2 725 271	2 846 426	2 846 426	2 846 426	3 053 994	3 306 316	3 522 895
Conditional grants	5 746	3 000	3 958	144 836	144 836	144 836	178 888	176 078	187 873
Social Sector EPWP Incentive Grant for Provinces	3 746	3 000	3 958	19 498	19 498	19 498	13 490	-	-
EPWP Integrated Grant for Provinces	2 000	-	-	-	-	-	-	-	-
Early Childhood Development grant	-	-	-	71 879	71 879	71 879	107 543	113 556	121 163
Social Worker Employment grant	-	-	-	53 459	53 459	53 459	57 855	62 522	66 710
Total receipts	2 458 760	2 630 481	2 729 229	2 991 262	2 991 262	2 991 262	3 232 882	3 482 394	3 710 768
Total payments	2 487 432	2 610 357	2 754 077	3 041 364	2 986 364	2 947 202	3 287 882	3 482 394	3 710 768
Surplus/(Deficit) before financing	(28 672)	20 124	(24 848)	(50 102)	4 898	44 060	(55 000)	-	-
Financing									
of which									
Provincial roll-overs	-	2 328	-	-	-	-	-	-	-
Provincial cash resources	31 000	80 441	53 070	50 102	50 102	50 102	-	-	-
Suspension to future year					(55 000)	(55 000)	55 000		
Surplus/(Deficit) after financing	2 328	102 893	28 222	-	-	39 162	-	-	-

In 2014/15, the department was allocated R31 million from provincial cash resources, which relates to the Isibindi model funds suspended in 2013/14. The department under-spent in 2014/15 by R2.328 million, mainly due to cost-cutting.

In 2015/16, a roll-over of R2.328 million was received in respect of committed infrastructure projects. Also in 2015/16, the department was allocated provincial cash resources of R80.441 million as follows:

- R32.368 million for the above-budget 2015 wage agreement.
- R44.200 million to enable the department to effect a 6 per cent increase on all transfers to NPOs.
- R3.873 million for the Inkululeko Development project to allow the department to continue the construction of the Inkululeko Elderly Day Care Centre, which was stopped due to lack of funds.

The department under-spent its 2015/16 budget by R102.893 million mainly attributed to the non-filling of posts. Also contributing was slow spending on infrastructure projects.

In 2016/17, the department received additional provincial cash resources of R53.070 million as follows:

- R46.410 million carry-through funding for the 6 per cent increase in transfers to NPOs.
- R2.523 million for the Inkululeko Elderly Day Care Centre.
- R4.137 million for the above-budget 2016 wage adjustment.

The department under-spent in 2016/17 by R28.222 million, mainly due to delays in filling vacant posts and delays in infrastructure projects.

The department received carry-through funding of R50.102 million from provincial cash resources in 2017/18 relating to the 6 per cent increase for NPOs (R49.102 million), as well as the Inkululeko Elderly Day Care Centre (R1 million). The department will ensure that the carry-through costs of the 6 per cent increase is funded beyond 2018/19 from within its baseline. Note that R55 million was suspended from *Compensation of employees* in 2017/18 due to the slow filling of vacant posts, and this is reallocated back to the department in 2018/19, to be utilised for various infrastructure projects, to purchase tools of trade and for ICT infrastructure.

The department is projecting to under-spend in 2017/18 by R39.162 million, mainly due to delays in filling vacant posts.

The following additional allocations for the 2018/19 MTEF are made to the department's baseline:

- R55 million was suspended from 2017/18, as mentioned.
- R42.431 million, with carry-through costs for prevention and early intervention programmes to fight the abuse of women and children.
- R45.126 million and R47.504 million for 2019/20 and 2020/21, respectively, for the NAWANGO court case (Free State) to provide support to organisations that provide statutory social welfare services on behalf of the department.
- R34.974 million for the above-budget wage agreement allocated in 2020/21.

6.2 Departmental receipts collection

Table 13.2 provides a summary of the receipts collection by the department.

Table 13.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	4 653	5 698	5 644	6 458	6 458	6 356	6 832	7 068	7 456
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	1	-	-	-
Interest, dividends and rent on land	2	9	1 044	29	29	29	31	31	33
Sale of capital assets	3 018	-	2 377	560	560	4 928	592	592	625
Transactions in financial assets and liabilities	1 281	1 151	15 879	1 187	1 187	1 093	1 255	1 255	1 324
Total	8 954	6 858	24 944	8 234	8 234	12 407	8 710	8 946	9 438

Sale of goods and services other than capital assets is the major source of revenue for the department. It consists of income derived from commission on PERSAL deductions, such as insurance and garnishee orders, housing rent, patient fees (collected from two rehabilitation centres) and the sale of hand crafts that are produced by state-run centres. Over the MTEF, revenue shows inflationary growth.

Interest, dividends and rent on land is in respect of interest on debt recoveries from ex-employees. The projections over the 2018/19 MTEF are based on historical collections.

Sale of capital assets relates to the disposal of redundant motor vehicles and equipment. The uncertain nature of this source results in conservative budgeting over the MTEF.

Transactions in financial assets and liabilities relates to recoveries of staff debts such as salary over-payments, breached bursary contracts, etc. The significant collection of R15.879 million in 2016/17 relates to higher than expected recovery of prior years' expenditure and staff debts. The uncertain nature of this source results in conservative budgeting by the department over the MTEF.

6.2 Donor funding – Nil

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregate level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 8 below, as well as in *Annexure – Vote 13: Social Development*.

7.1 Key assumptions

The following key assumptions form the basis of the 2018/19 MTEF budget of the department:

- All inflation related increases are based on CPI projections.
- As per National Treasury, provision should have been made for an inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent for each of the three years of the 2018/19 MTEF, as well as for the 1.5 per cent pay progression. The department has complied with this in 2018/19 (18.2 per cent), with a shortfall in 2019/20 (7.6 per cent) and 2020/21 (7.8 per cent) which will be addressed in the next budget process.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.
- The department undertook a rationalisation process to identify funding for the carry-through costs of the 6 per cent increase granted to NPOs in 2015/16, with this funding ending in 2017/18. This process was also intended to assist in ensuring that the department's services were more equitably spread across the province. The department has not budgeted for an increase in transfer payments in 2018/19, but maintain their transfers at the 2017/18 tariffs. This will be reviewed in-year.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 13.3 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEFs, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 13.3 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	6 644	6 315	(45 322)	(47 860)	(50 492)
Above-budget 2015 wage agreement	40 889	43 866	47 203	49 846	52 588
6% increase in transfers to NGOs	46 410	49 102	-	-	-
Inkululeko Elderly Day Care Centre	2 523	1 000	-	-	-
Freezing all vacant non-OSD posts	(60 162)	(64 253)	(68 623)	(72 466)	(76 452)
Cutting events' budgets	(15 000)	(15 000)	(15 000)	(15 840)	(16 711)
2% Goods and services cut	(8 016)	(8 400)	(8 902)	(9 401)	(9 918)
2017/18 MTEF period		(15 725)	(17 597)	2 214	2 336
PES and Provincial Own Revenue reductions		(11 414)	(13 048)	(23 144)	(24 417)
Budget cuts to fund remuneration of Izinduna		(4 311)	(4 549)	(4 799)	(5 063)
Additional funding from National Treasury		-	-	30 157	31 816
2018/19 MTEF period			97 431	105 309	145 833
Above-budget wage agreement			-	-	34 974
NAWANGO court case			-	45 126	47 504
No violence against women			42 431	60 183	63 355
Funds suspended from 2017/18 for infrastructure, IT and tools of trade			55 000	-	-
Total	6 644	(9 410)	34 512	59 663	97 676

In the 2016/17 MTEF, due to data updates of the equitable share formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced or cut. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF. These cuts were effected on the department's budget as follows:

- R60.162 million with carry-through was removed from the baseline for the freezing of non-OSD vacant posts.
- R15 million was removed from the baseline of each of the MTEF years, being the cutting of events budgets.
- R8.016 million with carry-through was removed from the baseline for the 2 per cent cut on *Goods and services*.

These cuts were offset to some extent by the following additional allocations:

- R40.889 million, with carry-through, for the above-budget 2015 wage agreement.
- R46.410 million, with carry-through to 2017/18 only, for the previously mentioned 6 per cent increase for NPOs announced in 2015/16. The carry-through costs for 2018/19 must be borne by the department from rationalisation and reprioritisation.
- R2.523 million, with carry-through to 2017/18 only, for the construction of the previously mentioned Inkululeko Elderly Day Care Centre.

In the 2017/18 MTEF, the following changes were made to the department's baseline:

- The department's budget was reduced as a result of a reduction of the PES allocation due to data updates of the PES formula, fiscal framework reductions, as well as a downward revision of the Provincial Own Revenue.
- The budget was reduced in line with a Provincial Executive Council decision that the *Izinduna* in KZN must be remunerated, in line with Presidential proclamations in this regard.
- National Treasury allocated additional funding to provinces in the outer year of the 2017/18 MTEF with carry-through, was proportionately allocated to all 15 Votes to ensure that the budget cuts referred to above are off-set in the outer year.

The following additional allocations for the 2018/19 MTEF are made to the department's baseline:

- R34.974 million for the above-budget wage agreement is allocated in 2020/21. This funding is received from National Treasury and is proportionately allocated to all 15 Votes.
- R45.126 million and R47.504 million for 2019/20 and 2020/21, respectively, for support to organisations that provide statutory social welfare services on behalf of the department.
- R42.431 million, with carry-through for prevention and early intervention programmes to fight the abuse of women and children.
- The equitable share is increased as a result of projected under-spending of R55 million against *Compensation of employees* in 2017/18, where the department requested that these funds be suspended from their budget in the 2017/18 Adjustments Estimate and reallocated back to them in 2018/19 for various infrastructure projects, to purchase tools of trade and for ICT infrastructure.
- It should be noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R14.278 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, which are aligned to the uniform budget and programme structure for the Social Development sector.

The department was liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget in 2015/16 and 2016/17, which is reflected under the affected programmes where the unauthorised expenditure occurred against *Payments for financial assets*. This is reflected as a footnote in the tables.

Tables 13.4 and 13.5 provide a summary of payments and budgeted estimates at programme and economic classification level.

The bulk of the budget comprises *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions*, in line with the department's core functions.

Table 13.4 : Summary of payments and estimates by programme: Social Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	453 656	519 148	460 948	454 640	449 640	429 950	519 846	520 735	555 041
2. Social Welfare Services	596 944	634 856	673 358	750 256	738 150	723 635	772 353	773 814	823 826
3. Children and Families	941 344	1 003 914	1 141 249	1 300 996	1 279 651	1 313 872	1 391 089	1 509 931	1 609 031
4. Restorative Services	258 173	283 062	273 348	331 953	315 404	285 208	393 093	436 975	465 913
5. Development and Research	237 315	169 377	205 174	203 519	203 519	194 537	211 501	240 939	256 957
Total	2 487 432	2 610 357	2 754 077	3 041 364	2 986 364	2 947 202	3 287 882	3 482 394	3 710 768
Unauth. Exp. (1st charge) not available for spending	-	(6 980)	(6 979)	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 487 432	2 603 377	2 747 098	3 041 364	2 986 364	2 947 202	3 287 882	3 482 394	3 710 768

Table 13.5 : Summary of payments and estimates by economic classification: Social Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	1 520 152	1 614 697	1 671 707	1 942 820	1 862 698	1 824 158	2 091 758	2 243 154	2 432 391
Compensation of employees	1 156 790	1 238 550	1 286 973	1 531 019	1 435 173	1 395 244	1 648 830	1 773 684	1 912 423
Goods and services	363 350	376 059	384 415	411 801	427 400	428 853	442 803	469 338	519 829
Interest and rent on land	12	88	319	-	125	61	125	132	139
Transfers and subsidies to:	806 210	827 552	914 732	940 909	959 661	959 039	1 021 127	1 094 004	1 146 681
Provinces and municipalities	539	566	664	832	832	769	938	991	1 046
Departmental agencies and accounts	1 110	3 350	18 759	3 635	3 927	3 927	3 842	4 061	4 284
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	780 982	803 769	869 631	912 831	931 291	931 291	991 367	1 062 574	1 113 521
Households	23 579	19 867	25 678	23 611	23 611	23 052	24 980	26 378	27 830
Payments for capital assets	161 070	152 669	150 248	157 635	164 005	164 005	174 997	145 236	131 696
Buildings and other fixed structures	127 953	113 508	116 546	116 893	111 234	111 234	108 302	99 817	83 779
Machinery and equipment	33 117	39 161	33 702	40 742	52 771	52 771	66 695	45 419	47 917
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	15 439	17 390	-	-	-	-	-	-
Total	2 487 432	2 610 357	2 754 077	3 041 364	2 986 364	2 947 202	3 287 882	3 482 394	3 710 768
Unauth. Exp. (1st charge) not available for spending	-	(6 980)	(6 979)	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 487 432	2 603 377	2 747 098	3 041 364	2 986 364	2 947 202	3 287 882	3 482 394	3 710 768

Programme 1: Administration reflects fluctuating growth. The decrease in the 2017/18 Adjusted Appropriation relates to the suspension of R5 million to 2018/19, as mentioned. The growth in 2018/19 provides for the filling of 32 posts, including the Deputy Director-General: Social Services, the eThekweni cluster Chief Director, and a number of District Directors, among others. Note that the provision for carry-through costs in the two outer years is not sufficient, and this will be addressed in the next budget process.

Programme 2: Social Welfare Services reflects a general upward trend over the seven-year period. The decrease in the 2017/18 Adjusted Appropriation relates to the suspension of R10 million to 2018/19, as mentioned. The increasing expenditure over the 2018/19 MTEF is due, in part, to the new security service

contract expected to begin in 2018/19, with more detail provided below, and the planned tools of trade purchases in anticipation for the filling of 14 vacant posts, as well as a number of Social Worker and Social Worker Supervisor posts. Examples of posts to be filled include the Chief Director: Developmental Welfare Services and Service Office Managers. In addition, the department has planned maintenance expenditure for its service offices over and above the numerous infrastructure upgrades and rehabilitation projects, as detailed in Section 8.2.

Programme 3: Children and Families shows healthy growth over the period under review. The decrease in the 2017/18 Adjusted Appropriation is due to the suspension of R25 million to 2018/19, as mentioned. This was mitigated by internal reprioritisation to this programme to address pressures in ECD. Over the 2018/19 MTEF, the department plans to fill 10 vacant posts, as well as a number of Social Worker and Social Worker Supervisor posts, including Child and Youth Care Workers and Team Leaders, and a Professional Nurse, among others. Note that these appointments will have a concomitant impact on *Goods and services*. Note also that insufficient provision has been made for the carry-through costs of filling posts in the two outer years of the MTEF, and this will be addressed in the next budget process. The department has been allocated additional funds from 2019/20 for support to organisations that provide statutory social welfare services on behalf of the department. In addition, the 2018/19 MTEF shows an upward trend due to various planned infrastructure projects as detailed in Section 8.3.

Programme 4: Restorative Services shows growth over the seven-year period due to national priority funding, filling of vacant posts and carry-through costs of absorbed social worker graduates. The decrease in the 2017/18 Adjusted Appropriation is due to the suspension of R15 million to 2018/19, as mentioned, and R1.549 million reprioritised to Programme 3 to alleviate the spending pressures in ECD. The increase over the 2018/19 MTEF is in respect of the filling of six vacant OSD posts, as well a number of Social Worker and Social Worker Supervisor posts, including Director: Social Work Policy and Social Work Policy Developers, etc. Note that the provision in this regard in the outer year is insufficient (7.4 per cent), and this will be addressed in the next budget process. In addition, the department has budgeted to initiate numerous prevention programmes and community-based treatments, with carry-through over the MTEF.

Programme 5: Development and Research reflects healthy growth from 2017/18. The increase over the 2018/19 MTEF is largely in respect of the filling of 28 OSD posts, including six Directors: Community Development, seven Assistant Directors: Community Development, as well as Community Development Policy Developers and Supervisors, among others. Also planned is capacity training for NPOs to be rolled out across all districts. Note that insufficient provision has been made for the carry-through costs of filling posts in 2018/19 and 2020/21, and this will be addressed in-year and in the next budget process. There are also infrastructure projects planned over the MTEF and these are detailed in Section 8.5.

Compensation of employees decreased in the 2017/18 Adjusted Appropriation due to the movement of funds from *Compensation of employees* to *Goods and services*, as well as the suspension of R55 million to 2018/19. The growth over the 2018/19 MTEF is in respect of the planned filling of vacant OSD posts (Social Worker Supervisors), new social work graduates and non-OSD posts. The recruitment process is in the advertisement stage as the department has advertised 121 posts. Note that the growth in 2018/19 provides for the filling of posts, but the carry-through costs in the two outer years is not sufficient, and this will be addressed in the next budget process. The department receives additional funding for the above-budget wage agreement of R34.974 million in 2020/21.

Goods and services reflects a steady increase over the seven-year period due to increased costs in respect of audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. The increase over the MTEF mainly relates to building the capacity of NPOs in financial management. Also contributing is the ECD grant, a component of which contributes to infrastructure maintenance of ECDs, as well as an increase of the department's maintenance budget for the department's facilities. The department has awarded tenders for security service providers for the different offices, expected to begin from 2018/19, which has proven to be far more expensive than current costs. In anticipation of the filling of 121 posts in 2018/19, the department also plans to increase funds for tools of trade (furniture and other minor assets) over the MTEF.

Interest and rent on land relates to rent paid to the Msunduzi Municipality in respect of a park home at Camperdown, which is used as a temporary office. The department is finalising the rental of office space to house its staff and this budget might therefore have to be adjusted in-year.

Transfers and subsidies to: Provinces and municipalities is in respect of motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts relates to the Health and Welfare Sector Education Training Authority (HWESETA). The increase in the 2017/18 Adjusted Appropriation is because invoices were higher than anticipated. The budget over the MTEF provides for inflationary growth.

Transfers and subsidies to: Non-profit institutions reflects a steady increase over the seven-year period. The increase in the 2017/18 Adjusted Appropriation is attributed to funds moved from *Compensation of employees* to provide for spending pressures on ECD and Partial Care, Care and Services to Families, Child and Youth Care Centres and Community-based Care Services for Children. The budget over the 2018/19 MTEF includes allocations for national priorities, such as child and youth care and victim empowerment, and the provision of shelters for victims of gender-based violence as well as inflationary increases. As mentioned, the department has provided for the carry-through costs of the 6 per cent increase granted to NPOs in 2015/16. However, the department has not budgeted for further increases in transfer payments in 2018/19, but will maintain their transfers at the 2017/18 tariffs. This will be reviewed in-year.

Transfers and subsidies to: Households relates to staff exit costs, as well as disaster relief transfers. The low levels in 2015/16 relate to the low number of staff exits. The increase in 2016/17 relates to the social relief pay-outs in various areas, for families in need of social relief, caused by high poverty levels in some parts of the province. This expenditure item is difficult to forecast as it is demand driven, thus the 2018/19 MTEF provides for inflationary increases only.

The decrease against *Buildings and other fixed structures* in the 2017/18 Adjusted Appropriation is attributed to savings identified because of slow procurement processes with the implementing agents Coega and DOPW. These funds were moved to Programme 2 to fund the residential accommodation audit, which is an initiative by the department to inspect the state of the facilities used to provide its services. The negative growth over the 2018/19 MTEF relates to the reprioritisation by the department in the 2017/18 MTEF, with carry-through, in order to address the shortfall against *Compensation of employees* resulting from the 2016/17 budget cuts. In spite of this reprioritisation, the department still has numerous infrastructure projects, as explained in the respective sub-programmes below.

Machinery and equipment provides for the purchase of office furniture and equipment. The increase in the 2017/18 Adjusted Appropriation is attributed to reprioritisation from *Compensation of employees* for the upgrade of IT infrastructure equipment at district offices and head office. In 2018/19, the department has allocated a portion of the R55 million suspended from 2017/18 for IT infrastructure. In addition, over the 2018/19 MTEF, the department plans to purchase approximately 125 replacement vehicles and plans to procure tools of trade for newly appointed staff, including computers and laptops.

Payments for financial assets in 2015/16 and 2016/17 includes the first charge relating to prior year's over-spending, which has been split according to the programmes where unauthorised expenditure occurred, as previously explained. Also included in 2015/16 was the write-off of various thefts and losses.

7.4 Summary of conditional grant payments and estimates

Tables 13.6 and 13.7 illustrate conditional grant payments and estimates from 2014/15 to 2020/21.

Note that the historical figures in Tables 13.6 and 13.7 reflect actual expenditure, and should not be compared to those figures reflected in Table 13.1, which represent the actual receipts for the grant.

Table 13.6 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
EPWP Integrated Grant for Provinces	2 000	-	-	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	3 746	3 000	3 958	19 498	19 498	19 498	13 490	-	-
Early Childhood Development grant	-	-	-	71 879	71 879	71 879	107 543	113 556	121 163
Social Worker Employment grant	-	-	-	53 459	53 459	53 459	57 855	62 522	66 710
Total	5 746	3 000	3 958	144 836	144 836	144 836	178 888	176 078	187 873

Table 13.7 : Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	5 746	3 000	3 958	85 912	85 912	85 912	84 910	76 853	79 305
Compensation of employees	5 746	3 000	3 958	72 957	72 957	72 957	73 589	64 916	69 104
Goods and services	-	-	-	12 955	12 955	12 955	11 321	11 937	10 201
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	58 924	58 924	58 924	93 978	99 225	108 568
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	58 924	58 924	58 924	93 978	99 225	108 568
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 746	3 000	3 958	144 836	144 836	144 836	178 888	176 078	187 873

In 2014/15 only, the department received R2 million relating to the EPWP Integrated Grant for Provinces allocated to *Compensation of employees* used to pay stipends to cleaners in district and service offices.

The department receives an allocation for the Social Sector EPWP Incentive Grant for Provinces, which varies over the years. The grant is utilised to pay stipends to CCGs who were previously employed by NPOs. An amount of R13.490 million is allocated in 2018/19 only, at this stage.

Both EPWP conditional grants fall under the HIV and AIDS sub-programme in Programme 2, and against *Compensation of employees* as the CCGs and cleaners were appointed on PERSAL. This detail is shown in *Annexure – Vote 13: Social Development*.

The ECD grant is allocated to assist with the funding of NPOs delivering ECD services and is comprised of two components. The main component is transferred directly to NPOs to subsidise their services, with the second component to assist in the maintenance of ECD facilities. This grant shows significant growth in 2018/19, despite the grant being cut by R4.804 million and R5.073 million in 2018/19 and 2019/20 respectively, due to fiscal consolidation. The grant was increased by R2.534 million in 2020/21.

The Social Worker Employment grant relates to social worker graduate employment, which is intended to reduce the backlog in the number of social worker graduates that remain unemployed, and is entirely allocated to *Compensation of employees*. Growth over the MTEF is inflationary only. The department has been allocated an additional R4.188 million in 2020/21, which provides for inflationary growth.

7.5 Summary of infrastructure payments and estimates

Table 13.8 summarises infrastructure spending by category over the seven-year period, while detailed information on infrastructure is given in the *2018/19 Estimates of Capital Expenditure (ECE)*.

Table 13.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	75 927	82 337	38 311	90 427	90 427	60 372	74 099	69 866	60 248
Maintenance and repair: Current	24 199	29 193	17 245	39 815	39 815	25 314	26 812	29 378	21 528
Upgrades and additions: Capital	15 839	11 382	6 766	25 946	25 946	14 424	21 714	19 663	17 348
Refurbishment and rehabilitation: Capital	35 889	41 762	14 300	24 666	24 666	20 634	25 573	20 825	21 372
New infrastructure assets: Capital	76 225	60 364	95 480	66 281	60 622	76 176	61 015	59 329	45 059
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	152 152	142 701	133 791	156 708	151 049	136 548	135 114	129 195	105 307
<i>Capital infrastructure</i>	<i>127 953</i>	<i>113 508</i>	<i>116 546</i>	<i>116 893</i>	<i>111 234</i>	<i>111 234</i>	<i>108 302</i>	<i>99 817</i>	<i>83 779</i>
<i>Current infrastructure</i>	<i>24 199</i>	<i>29 193</i>	<i>17 245</i>	<i>39 815</i>	<i>39 815</i>	<i>25 314</i>	<i>26 812</i>	<i>29 378</i>	<i>21 528</i>

1. Non infrastructure is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

Maintenance and repair: Current reflects an erratic trend. The decrease in 2016/17 is evidence of the focus of shifting funds to *Refurbishment and rehabilitation: Capital*, as most of the service offices and state facilities require major capital works. The increase in 2017/18 relates to the maintenance component of the ECD grant, introduced from that year. The maintenance projects are demand driven and include day-to-day maintenance, as well as reactive maintenance for electrical faults, burst pipes, etc. at all service offices, places of safety, etc. and this expenditure is inflationary over the first two years of the MTEF.

Upgrades and additions: Capital fluctuates over the 7-year period. The decreasing trend from 2014/15 relates to a refocus on *Refurbishment and rehabilitation: Capital* due to the poor condition of various buildings. The peak in 2017/18 relates to various projects, including the eThekweni Cluster office buildings (formerly known as the Government Garage building), as well as the Underberg service office. The department anticipates the completion of the Madadeni Rehabilitation centre in 2018/19 and over the MTEF it plans to begin the KwaMashu service office project currently in the design stage and expected to have carry-through costs at a decreasing rate.

Refurbishment and rehabilitation: Capital showed a peak in 2015/16 that relates to once-off funding, reprioritised from *New infrastructure assets: Capital* for pressures in projects including the Newcastle School of Industries and Chatsworth service office. The department has tried to keep the budget at this higher rate over the MTEF to address the poor conditions of some office buildings and state facilities and projects included are the Ubombo service office and eThekweni Cluster office buildings with inflationary carry-through costs.

New infrastructure assets: Capital relates to the provision of office and residential accommodation for staff in rural areas, and construction of CDCs, ECD centres and secure care centres. The decrease in the 2017/18 Adjusted Appropriation was due to slow procurement processes with the implementing agents Coega and DOPW and these funds were moved to Programme 2 against *Goods and services* to fund the residential accommodation audit. Over the 2018/19 MTEF, the department will focus on numerous projects such as the construction of the new Osizweni and Hlanganani service offices.

7.6 Public Private Partnerships (PPPs) – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 13.9 reflects transfers to entities such as NPOs, faith-based organisations (FBOs) and NPOs, as reflected against *Transfers and subsidies to: Non-profit institutions* in Table 13.5.

The increase over the MTEF provides for inflation, with brief comments below.

The department transfers funds to almost 2 000 entities in KZN, and a list of all these entities is available on request. In previous years, the department listed the main entities receiving transfers from the

department, while the rest were combined and categorised as *Other*. In an attempt to provide relevant information regarding transfers to these entities, the table was redesigned to indicate transfers per category and sub-programme within Programmes 2 to 5.

Table 13.9 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Sub-programme		Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
R thousand										
Transfers to public entities		-	-	-	-	-	-	-	-	-
Transfers to other entities		780 982	803 769	869 631	912 831	931 291	931 291	991 367	1 062 574	1 113 521
Services to Older Persons		106 202	105 074	104 692	122 205	120 099	109 893	110 703	110 703	116 792
Homes for the Aged	2.2: Services to Older Persons	106 202	59 884	55 516	69 721	67 615	64 109	59 132	56 211	59 303
Service Centres & Lunch Clubs	2.2: Services to Older Persons	-	34 778	38 846	40 392	40 392	35 235	39 666	41 914	44 219
Welfare Organisation	2.2: Services to Older Persons	-	10 412	10 330	12 092	12 092	10 549	11 905	12 578	13 270
Serv. to Persons with Disabilities		64 538	67 274	71 188	74 236	74 236	74 236	73 297	73 297	77 328
Homes for the Disabled	2.3: Serv. to Persons with Disab.	64 538	38 794	12 912	39 465	39 465	42 808	39 415	37 470	39 531
Protective Workshops	2.3: Serv. to Persons with Disab.	-	10 105	38 053	12 337	12 337	11 151	12 022	12 712	13 411
Welfare Organisations	2.3: Serv. to Persons with Disab.	-	18 375	20 223	22 434	22 434	20 277	21 860	23 115	24 386
HIV and AIDS		79 612	66 679	57 574	63 239	63 239	53 833	63 280	63 280	66 760
Home Community-Based Care	2.4: HIV and AIDS	79 612	66 679	57 574	63 239	63 239	53 833	63 280	63 280	66 760
Care and Services to Families		5 263	3 310	4 963	8 147	10 580	10 580	8 344	8 344	8 803
Welfare Organisations	3.2: Care and Services to Families	5 263	3 310	4 963	8 147	10 580	10 580	8 344	8 344	8 803
Child Care and Protection		76 551	80 776	80 529	79 769	79 769	79 769	80 031	125 157	131 937
Private Places of Safety	3.3: Child Care and Protection	71 288	77 466	75 566	71 622	69 189	69 189	71 687	116 813	123 134
Welfare Organisations	3.3: Child Care and Protection	5 263	3 310	4 963	8 147	10 580	10 580	8 344	8 344	8 803
ECD and Partial Care		243 101	280 357	295 546	337 480	354 584	381 158	386 606	394 935	409 406
ECD Centres	3.4: ECD and Partial Care	243 101	280 357	295 546	337 480	354 584	381 158	386 606	394 935	409 406
Child and Youth Care		88 318	98 142	100 903	87 583	88 968	97 705	90 779	90 779	95 771
Children's Homes	3.5: Child and Youth Care	88 318	88 021	92 170	78 409	79 794	88 071	81 732	81 225	85 692
Shelters for Children	3.5: Child and Youth Care	-	10 121	8 733	9 174	9 174	9 634	9 047	9 554	10 079
Com-based Care Serv for Children		28 181	26 878	46 413	31 728	32 921	34 257	31 045	31 045	32 752
Isibindi	3.6: Com-based Care Serv.	28 181	26 878	46 413	31 728	32 921	34 257	31 045	31 045	32 752
Crime Prevention and Support		17 959	18 967	18 224	18 048	17 061	7 161	17 220	17 220	18 167
Welfare Organisations	4.2: Crime Prevention and Support	17 959	18 967	18 224	18 048	17 061	7 161	17 220	17 220	18 167
Victim Empowerment		12 559	14 122	17 331	19 515	19 618	18 418	62 022	79 774	84 023
Shelters for Women	4.3: Victim Empowerment	12 559	14 122	17 331	9 944	10 047	9 385	10 020	10 020	10 571
Shelters for Victims of GBV	4.3: Victim Empowerment	-	-	-	9 571	9 571	9 033	52 002	69 754	73 452
Substance Abuse Prev and Rehab		15 050	14 543	14 106	18 139	17 474	15 400	17 714	17 714	18 689
Outpatients Clinics	4.4: Sub. Abuse, Prev. and Rehab.	-	463	510	1 731	1 066	490	1 738	1 811	1 911
Treatment Centres	4.4: Sub. Abuse, Prev. and Rehab.	-	2 690	2 820	3 912	3 912	2 849	3 958	4 180	4 410
Welfare Organisations	4.4: Sub. Abuse, Prev. and Rehab.	15 050	11 390	10 776	12 496	12 496	12 061	12 018	11 723	12 368
Development and Research		43 648	27 647	58 162	52 742	52 742	48 881	50 326	50 326	53 093
Community Projects	5: Various sub-programmes	17 398	8 108	26 724	21 856	21 856	21 971	19 540	19 540	20 614
Youth Development Centres	5.6: Youth Development	26 250	19 539	31 438	30 886	30 886	26 910	30 786	30 786	32 479
Total		780 982	803 769	869 631	912 831	931 291	931 291	991 367	1 062 574	1 113 521

There was an increase in the 2017/18 Adjusted Appropriation to alleviate the spending pressures experienced in Care and Services to Families, ECD and Partial Care, Child and Youth Care and Community-based Care Services for Children.

The budget includes additional funding for the 6 per cent increase for NPOs that began in 2015/16, with carry-through to 2017/18 and, as of the 2018/19 MTEF, the department is funding the carry-through costs themselves.

The strong growth in 2017/18 and 2018/19 against ECD and Partial Care relates to the ECD grant funding which commenced in 2017/18.

7.8 Transfers to local government – Nil

7.9 Transfers and subsidies

Table 13.10 is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects an increasing trend from 2014/15 to 2020/21 for the category as a whole, as explained above and below the table.

- *Households* in all programmes relates to staff exit costs, apart from Programme 2, where social relief transfers are made to cater for items such as food parcels. This latter item is difficult to budget for due to its uncertain and demand-based nature. The 2018/19 MTEF growth is inflationary only.

Table 13.10 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	5 417	6 861	8 027	8 831	9 123	8 132	9 397	9 928	10 475
Provinces and municipalities	539	566	664	832	832	769	938	991	1 046
Motor vehicle licences	539	566	664	832	832	769	938	991	1 046
Departmental agencies and accounts	1 110	3 350	3 637	3 635	3 927	3 927	3 842	4 061	4 284
HWSETA	1 110	3 350	3 637	3 635	3 927	3 927	3 842	4 061	4 284
Households	3 768	2 945	3 726	4 364	4 364	3 436	4 617	4 876	5 145
Staff exit costs	3 768	2 803	2 868	4 364	4 364	3 436	4 617	4 876	5 145
Other transfers to households	-	142	858	-	-	-	-	-	-
2. Social Welfare Services	268 971	254 447	253 348	277 517	275 411	255 232	266 152	267 208	281 904
Departmental agencies and accounts	-	-	67	-	-	-	-	-	-
Dept. agencies (non-business entities)	-	-	67	-	-	-	-	-	-
Non-profit institutions	250 352	239 027	233 454	259 680	257 574	237 962	247 280	247 280	260 880
Care and services to older persons	106 202	105 074	104 692	122 205	120 099	109 893	110 703	110 703	116 792
Services to persons with disabilities	64 538	67 274	71 188	74 236	74 236	74 236	73 297	73 297	77 328
HIV and AIDS	79 612	66 679	57 574	63 239	63 239	53 833	63 280	63 280	66 760
Households	18 619	15 420	19 827	17 837	17 837	17 270	18 872	19 928	21 024
Staff exit costs	757	861	2 467	2 741	2 741	2 174	2 900	3 062	3 230
Social relief	17 862	14 559	17 360	15 096	15 096	15 096	15 972	16 866	17 794
3. Children and Families	442 172	490 273	530 148	545 335	567 450	605 090	597 469	650 961	679 409
Departmental agencies and accounts	-	-	4	-	-	-	-	-	-
Dept. agencies (non-business entities)	-	-	4	-	-	-	-	-	-
Non-profit institutions	441 414	489 463	528 354	544 707	566 822	603 469	596 805	650 260	678 669
Care and services to families	5 263	3 310	4 963	8 147	10 580	10 580	8 344	8 344	8 803
Child care and protection	76 551	80 776	80 529	79 769	79 769	79 769	80 031	125 157	131 937
ECD and partial care	243 101	280 357	295 546	337 480	354 584	381 158	386 006	394 935	409 406
Child and youth care	88 318	98 142	100 903	87 583	88 968	97 705	90 779	90 779	95 771
Community-based care serv. for children	28 181	26 878	46 413	31 728	32 921	34 257	31 045	31 045	32 752
Households	758	810	1 790	628	628	1 621	664	701	740
Staff exit costs	758	810	1 788	628	628	1 621	664	701	740
Other transfers to households	-	-	2	-	-	-	-	-	-
4. Restorative Services	45 913	48 290	49 940	55 856	54 307	41 472	97 119	114 880	121 060
Non-profit institutions	45 568	47 632	49 661	55 702	54 153	40 979	96 956	114 708	120 879
Crime prevention and support	17 959	18 967	18 224	18 048	17 061	7 161	17 220	17 220	18 167
Victim empowerment	12 559	14 122	17 331	19 515	19 618	18 418	62 022	79 774	84 023
Substance abuse, prevention and rehab.	15 050	14 543	14 106	18 139	17 474	15 400	17 714	17 714	18 689
Households	345	658	279	154	154	493	163	172	181
Staff exit costs	345	658	279	154	154	493	163	172	181
5. Development and Research	43 737	27 681	73 269	53 370	53 370	49 113	50 990	51 027	53 833
Departmental agencies and accounts	-	-	15 051	-	-	-	-	-	-
National Development Agency	-	-	15 051	-	-	-	-	-	-
Non-profit institutions	43 648	27 647	58 162	52 742	52 742	48 881	50 326	50 326	53 093
Poverty allev. and sustainable livelihoods	16 400	6 279	15 873	14 597	14 597	14 712	12 281	12 281	12 956
Youth development	26 250	19 539	31 438	30 886	30 886	26 910	30 786	30 786	32 479
Women development	998	1 829	7 851	7 259	7 259	7 259	7 259	7 259	7 658
Institutional Capacity Building for NPOs	-	-	3 000	-	-	-	-	-	-
Households	89	34	56	628	628	232	664	701	740
Staff exit costs	89	34	56	628	628	232	664	701	740
Total	806 210	827 552	914 732	940 909	959 661	959 039	1 021 127	1 094 004	1 146 681

- *Provinces and municipalities* in Programme 1 reflects the payment of motor vehicle licences, which is centralised under Programme 1. The 2018/19 MTEF provides for the anticipated purchase of new vehicles, as well as annual increases in licence renewals.
- *Departmental agencies and accounts* relates to transfers to the HWSETA, which is centralised under Programme 1. The low spending in 2014/15 relates to the delay in submission of invoices by HWSETA. The high amount in 2015/16 relates to payments from 2014/15 only made in 2015/16. The increase in the 2017/18 Adjusted Appropriation for higher than anticipated invoices. The budget over the 2018/19 MTEF provides for inflationary growth.
- *Non-profit institutions* in Programme 2 shows a decrease in the 2017/18 Adjusted Appropriation due to savings on Care and Services to Older Persons and these funds were moved to NPOs in Programme 3 to alleviate spending pressures. The low growth over the 2018/19 MTEF is due to budget cuts, and the impact of the rationalisation process and also the nature of the pressures

identified in 2017/18. As a result, the department has resolved to maintain the 2017/18 tariffs and only adjust the expenditure over the MTEF by inflation.

- The increase in the 2017/18 Adjusted Appropriation against *Non-profit institutions* in Programme 3 was mainly due to pressures experienced by ECD and Partial Care, as well as Care and Services to Families, Child and Youth Care and Community-based Care Services for Children, due to increased demand. The 2018/19 MTEF shows an increase due to the additional allocation for the provision of support to organisations that provide statutory social welfare services on behalf of the department, with R45.126 million and R47.504 million allocated in 2019/20 and 2020/21, respectively. Mitigating this increase is a decrease of R4.804 million and R5.073 million for 2018/19 and 2019/20 respectively and an increase of R2.534 million for 2020/21 on the ECD grant.
- Under *Non-profit institutions* in Programme 4, the decrease in the 2017/18 Adjusted Appropriation was mainly due to the savings realised due to Khulisa, an organisation rendering substance abuse services on behalf of the department, stopping the partnership with the department due to a funding dispute related to the SLA conditions. These funds were moved to Programme 3 for the ECD and Partial Care and also to Programme 4 for Victim Empowerment, to alleviate spending pressures. This category increases marginally over the 2018/19 MTEF due to the additional allocation for prevention and early intervention programmes to fight the abuse of women and children, with R42.431 million, R60.183 million and R63.355 million, respectively, allocated over the 2018/19 MTEF.
- In Programme 5 in 2016/17, funds were transferred against *Departmental agencies and accounts* to the National Development Agency (NDA) for the capacitation of NGOs.
- Also against Programme 5, the budget for *Non-profit institutions* is static as a result of the carry-through costs agreed upon with the research agencies and hence, there is an inflationary increase in the outer year only.

8. Programme description

The services rendered by this department are categorised under five programmes, details of which are presented in *Annexure – Vote 13: Social Development*. The department complies fully with the uniform budget and programme structure for the Social Development sector.

8.1 Programme 1: Administration

Programme 1 mainly provides overall strategic management and support services to the department, political and legislative interface between government, civil society and all relevant stakeholders, address policy interpretation and the strategic direction of the department and provide support with regard to corporate management, human resource management, logistics, communication, finance, and legal services, etc.

Tables 13.11 and 13.12 summarise payments and budgeted estimates relating to Programme 1. As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge of R1.271 million and R1.314 million against this programme in 2015/16 and 2016/17, respectively. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 was reduced by the instalment amounts in the Corporate Management Services sub-programme.

Table 13.11 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	10 964	10 932	10 801	13 146	13 146	13 004	13 746	14 667	15 653
2. Corporate Management Services	172 570	212 662	252 279	279 494	274 494	230 506	331 999	321 184	341 957
3. District Management	270 122	295 554	197 868	162 000	162 000	186 440	174 101	184 884	197 431
Total	453 656	519 148	460 948	454 640	449 640	429 950	519 846	520 735	555 041
Unauth. Exp. (1st charge) not available for spending	-	(1 271)	(1 314)	-	-	-	-	-	-
Baseline available for spending after 1st charge	453 656	517 877	459 634	454 640	449 640	429 950	519 846	520 735	555 041

Table 13.12 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	427 966	484 165	413 461	419 942	414 650	396 404	459 491	482 007	514 181
Compensation of employees	308 069	334 273	239 049	246 966	241 966	233 404	267 135	288 065	309 572
Goods and services	119 891	149 804	174 093	172 976	172 559	162 987	192 231	193 810	204 470
Interest and rent on land	6	88	319	-	125	13	125	132	139
Transfers and subsidies to:	5 417	6 861	8 027	8 831	9 123	8 132	9 397	9 928	10 475
Provinces and municipalities	539	566	664	832	832	769	938	991	1 046
Departmental agencies and accounts	1 110	3 350	3 637	3 635	3 927	3 927	3 842	4 061	4 284
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 768	2 945	3 726	4 364	4 364	3 436	4 617	4 876	5 145
Payments for capital assets	20 273	26 851	27 735	25 867	25 867	25 414	50 958	28 800	30 385
Buildings and other fixed structures	-	472	-	-	-	-	-	-	-
Machinery and equipment	20 273	26 379	27 735	25 867	25 867	25 414	50 958	28 800	30 385
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 271	11 725	-	-	-	-	-	-
Total	453 656	519 148	460 948	454 640	449 640	429 950	519 846	520 735	555 041
Unauth. Exp. (1st charge) not available for spending	-	(1 271)	(1 314)	-	-	-	-	-	-
Baseline available for spending after 1st charge	453 656	517 877	459 634	454 640	449 640	429 950	519 846	520 735	555 041

In 2018/19, the department plans to fill 32 critical vacant posts across most sub-programmes, including the Deputy Director-General: Social Services, the eThekweni cluster Chief Director, and a number of District Directors, among others.

The sub-programme: Office of the MEC aims to provide political and legislative interface between government, civil society and all other relevant stakeholders and includes the provision of executive and parliamentary support, as well as public and media relations. The 2018/19 MTEF shows steady growth accounting for inflationary increases only.

The sub-programme: Corporate Management Services provides for the strategic direction and the overall management and administration of the department, which includes human resources, financial management and facility management (office accommodation and other facilities, as well as land and buildings). The decrease in the 2017/18 Adjusted Appropriation relates to the suspension of R5 million being part of the R55 million suspended to 2018/19 as a result of savings under *Compensation of employees* due to lengthy recruitment processes in the filling of vacant funded OSD and critical non-OSD posts. The funds over the 2018/19 MTEF will be used to fill vacant posts, such as the Director: Monitoring and Evaluation which was recently advertised.

The sub-programme: District Management provides for the decentralisation, management and administration of services at the district level within the department. The steady increase over the 2018/19 MTEF is due to inflationary increases, as well as filling vacant posts, including Directors in district offices and the Chief Director for the eThekweni Cluster office, among others.

Compensation of employees relates to the carry-through costs of the various wage agreements, as well as implementation of the district management model. The decrease in the 2017/18 Adjusted Appropriation relates to the suspension of funds to 2018/19, as mentioned. Influencing the 2018/19 MTEF are the department's plans to fill vacant posts such as the Chief Director for the eThekweni Cluster office, three District Directors and various Deputy Directors, among others. The growth over the MTEF is 14.5, 7.8 and 7.5 per cent, respectively. While the growth in 2018/19 is sufficient for the planned appointments, the carry-through budget is marginally low, and will be reviewed in the next budget process.

Goods and services provides for audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, as well as the department's IT connectivity to create an enabling environment for e-governance initiatives and to promote the use of ICT tools and services for effective and efficient services. The decrease in the 2017/18 Adjusted Appropriation was mainly due to lower than budgeted costs of operating leases resulting from the

implementation of a National Treasury transversal contract on leasing photocopying machines and also from reducing the number of leased machines in line with cost-cutting. The MTEF caters for inflationary increases and new security service providers for the different offices, expected to begin from 2018/19.

Interest and rent on land relates to rent paid to the Msunduzi Municipality in respect of a park home at Camperdown which is used as a temporary office. The department is finalising the rental of office space to house its staff and this will be corrected in-year.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts caters for payments to HWSETA.

Transfers and subsidies to: Households relates to staff exit costs.

Machinery and equipment is in respect of computer equipment, office furniture and motor vehicles, of which the latter is the largest contributor to this category. The MTEF allocations relate to the purchase of tools of trade relating to the filling of vacant posts and also the purchase of vehicles.

Payments for financial assets relates to the write-off of irrecoverable staff debts, and the previously mentioned first charge against the department for previous years' unauthorised expenditure.

Service delivery measures: Administration

Table 13.13 lists the main service delivery measures pertinent to this programme. The department's measures are aligned to those of the Social Development sector.

Table 13.13 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Corporate Management Services					
	• No. of social worker bursary holders that graduated	3 063	3 114	3 270	3 434
	• No. of social worker bursary holder graduates employed by DSD	1 303	1 881	1 975	2 074
	• No. of EPWP work opportunities created	12 871	10 818	11 359	11 927
	• No. of EPWP workers on learnership programmes	550	550	578	607

8.2 Programme 2: Social Welfare Services

Programme 2 caters for the provision of developmental social welfare services. These services are either provided directly by the department or by subsidised welfare organisations, and include the following:

- Design and implement integrated services for the care, support and protection of older persons.
- Design and implement integrated community-based care programmes and services aimed at mitigating the social and economic impact of HIV and AIDS.
- Respond to emergency needs identified in communities affected by disasters not declared, and/or any other social condition resulting in undue hardship.

Tables 13.14 and 13.15 reflect a summary of for this programme. Contributing to the overall increases (and across sub-programmes) are the two conditional grants (under the HIV and AIDS sub-programme), as mentioned, namely the EPWP Integrated Grant for Provinces (allocated in 2014/15 only, at this stage) and the Social Sector EPWP Incentive Grant for Provinces (allocated to 2018/19, at this stage). The former grant caters for cleaners and the latter for the appointment of CCGs.

As explained, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge of R1.441 million in 2015/16 and R1.476 million in 2016/17 against this programme. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 was reduced by the instalment amounts in the sub-programme: Management and Support.

Table 13.14 : Summary of payments and estimates by sub-programme: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Management and Support	239 018	138 101	168 316	187 700	185 700	202 037	214 892	183 110	194 467
2. Services to Older Persons	116 732	151 062	157 838	173 656	171 550	163 091	163 473	183 560	194 767
3. Services to Persons with Disabilities	80 810	129 166	138 953	139 499	139 499	142 762	143 063	155 341	165 445
4. HIV and AIDS	142 430	202 211	191 351	234 305	226 305	197 034	234 953	234 937	251 353
5. Social Relief	17 954	14 316	16 900	15 096	15 096	18 711	15 972	16 866	17 794
Total	596 944	634 856	673 358	750 256	738 150	723 635	772 353	773 814	823 826
Unauth. Exp. (1st charge) not available for spending	-	(1 441)	(1 476)	-	-	-	-	-	-
Baseline available for spending after 1st charge	596 944	633 415	671 882	750 256	738 150	723 635	772 353	773 814	823 826

Table 13.15 : Summary of payments and estimates by economic classification: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	269 771	331 689	342 978	402 676	386 384	399 318	422 534	438 846	491 964
Compensation of employees	187 890	247 086	275 316	326 316	304 365	295 662	343 601	352 563	379 405
Goods and services	81 881	84 603	67 662	76 360	82 019	103 634	78 933	86 283	112 559
Interest and rent on land	-	-	-	-	-	22	-	-	-
Transfers and subsidies to:	268 971	254 447	253 348	277 517	275 411	255 232	266 152	267 208	281 904
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	67	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	250 352	239 027	233 454	259 680	257 574	237 962	247 280	247 280	260 880
Households	18 619	15 420	19 827	17 837	17 837	17 270	18 872	19 928	21 024
Payments for capital assets	58 202	47 279	75 556	70 063	76 355	69 085	83 667	67 760	49 958
Buildings and other fixed structures	53 107	42 305	71 875	66 959	61 300	54 421	80 383	64 292	46 300
Machinery and equipment	5 095	4 974	3 681	3 104	15 055	14 664	3 284	3 468	3 658
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 441	1 476	-	-	-	-	-	-
Total	596 944	634 856	673 358	750 256	738 150	723 635	772 353	773 814	823 826
Unauth. Exp. (1st charge) not available for spending	-	(1 441)	(1 476)	-	-	-	-	-	-
Baseline available for spending after 1st charge	596 944	633 415	671 882	750 256	738 150	723 635	772 353	773 814	823 826

In 2018/19, the department plans to fill 14 vacant posts, as well a number of Social Worker and Social Worker Supervisor posts. Examples of posts to be filled include the Chief Director: Developmental Welfare Services and service office Managers.

The Management and Support sub-programme provides for the payment of salaries and administration costs of the management and support staff who provide support services to social workers across all sub-programmes of this programme. The decrease in the 2017/18 Adjusted Appropriation of R2 million was part of the R55 million suspended to 2018/19 as a result of savings under *Compensation of employees* due to lengthy recruitment processes in the filling of vacant funded OSD and critical non-OSD posts. The negative growth in 2019/20 relates to the once-off allocation of R21 million for infrastructure projects, which was part of the R55 million suspended from 2017/18. In 2018/19, the department plans to fill vacant posts such as Service Office Manager and social workers, among others, and this process was at advertisement stage in the last quarter of 2017/18.

The sub-programme: Services to Older Persons aims to design and implement integrated services for the care, support and protection of older persons. This includes the management of government facilities, as well as providing financial support to NPOs. The increase over the MTEF is a result of the planned filling of posts, which were at advertisement stage in the last quarter of 2017/18. Also budgeted for is the planned continuation of the awareness and prevention programmes on elder abuse.

The Services to Persons with Disabilities sub-programme provides for the design and implementation of integrated programmes and provides services that facilitate the promotion of the well-being and the socio-economic empowerment of persons with disabilities. This includes education and awareness programmes on disability, as well as the development and implementation of community-based programmes. The

department plans to continue with the implementation of the community-based rehabilitation programmes in uMzinyathi with the view of rolling them out to other districts and also the upscaling of the Izingane Kuqala project in the Zululand, uMzinyathi, Amajuba and uMkhanyakude District Municipalities over the 2018/19 MTEF. In addition, there will be a focus on children with Dyslexia and Autism, as well as awareness programmes on the abuse of people with albinism will be conducted across all district municipalities in 2018/19.

The HIV and AIDS sub-programme provides for the design and implementation of integrated community-based care programmes and services aimed at mitigating the social and economic impact of HIV and AIDS. This includes the establishment and maintenance of HCBC and support services, as well as financial support to NPOs. The increase over the 2018/19 MTEF is the filling of posts and inflationary increases.

The Social Relief sub-programme makes provision in the event of a natural disaster occurring in the province, accounting for the fluctuations. The 2018/19 MTEF shows inflationary growth and provides for the distribution of SRD to eligible households and beneficiaries. The department will continue to work closely with the South African Food Security and Development Agency and is planning to expand the number of service providers in this area going forward. The 2018/19 MTEF provides for inflation.

Compensation of employees was reduced in the 2017/18 Adjusted Appropriation by R15 million as part of the R55 million suspended to 2018/19 from savings due to lengthy recruitment processes in the filling of posts. The department plans to fill the current vacant posts, such as Service Office Manager and three Social Workers, among others, and this process was at advertisement stage in the last quarter of 2017/18. However, the growth in this category, while sufficient in 2018/19 for filling posts (16.2 per cent), is not sufficient for the carry through costs at 2.6 per cent in 2019/20 and 7.6 per cent in 2020/21. This will be addressed by the department in the next budget process.

Goods and services relates mainly to the payment for cleaning and security services at the district offices, as well as property maintenance. The increase in the 2017/18 Adjusted Appropriation is due to the need to fund the residential accommodation audit, which is an initiative by the department to inspect the state of the facilities used to provide its services. The MTEF provides for the planned maintenance of service offices, as well as security services as per the new contracts recently concluded with the service providers in 2017/18. In addition, the department has budgeted to intensify the awareness and prevention programmes on elder abuse and this is expected to have an influence on expenditure over the MTEF.

With regard to *Transfers and subsidies to: Non-profit institutions*, the decrease in the 2017/18 Adjusted Appropriation relates to reprioritisation from this programme to Programme 3 to address pressures, as mentioned. Following the rationalisation process, the department has budgeted for the carry-through costs of the 6 per cent increase granted to NPOs in 2015/16. However, the department has not budgeted for further increases in transfer payments in 2018/19, but will maintain their transfers at the 2017/18 tariffs. This will be reviewed in-year.

Transfers and subsidies to: Households relates to staff exit costs, as well as disaster and social relief transfers, such as food parcels, school uniforms for learners, etc.

Buildings and other fixed structures relates to the refurbishment and upgrade of existing service offices, as well as state facilities, including the new Inkululeko Elderly Day Care Centre, with additional funding for this purpose in 2016/17 and 2017/18. The significant increase in 2018/19 is due to numerous projects initiated by the department, such as the upgrading of the KwaMashu service office, that has carry-through costs, and the upgrade of the Izingolweni staff residence in 2018/19, among others.

With regard to *Machinery and equipment*, the significant increase in the 2017/18 Adjusted Appropriation relates to once-off funding reprioritised from savings in *Compensation of employees* for the upgrade of IT infrastructure at district and head offices. This accounts for the decrease in 2018/19. Over the MTEF, the department plans to procure tools of trade and has provided for inflationary increases only.

Payments for financial assets relates to the previously mentioned first charge against the department for previous year's unauthorised expenditure.

Service delivery measures: Social Welfare Services

Table 13.16 lists the main service delivery measures pertinent to this programme. The department's measures are aligned to those of the Social Development sector.

Table 13.16 : Service delivery measures: Social Welfare Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Services to older persons					
	• No. of residential facilities for older persons	42	41	41	41
	• No. of older persons accessing residential facilities	2 625	2 568	2 696	2 831
	• No. of older persons accessing community-based care and support services	22 223	17 681	18 565	19 493
2. Services to persons with disabilities					
	• No. of funded residential facilities for persons with disabilities	21	21	21	21
	• No. of persons with disabilities accessing residential facilities	1 070	1 216	1 277	1 341
	• No. of persons with disabilities accessing services in funded protective workshops	2 444	2 444	2 566	2 694
3. HIV and AIDS					
	• No. of organisations trained on social and behaviour change programmes	230	276	290	305
	• No. of beneficiaries reached through social and behaviour change programmes	175 741	179 782	188 771	198 210
	• No. of beneficiaries receiving psycho-social support services	128 371	145 240	152 502	160 127

8.3 Programme 3: Children and Families

The purpose of this programme is to provide comprehensive child and family care and support services to communities in partnerships with stakeholders and civil society organisations. The activities of the programme include the following:

- Provide programmes and services that promote functional families and prevent their vulnerability.
- Design and implement integrated programmes and services that provide for the development, care and protection of the rights of children.
- Provide comprehensive ECD services.
- Provide alternative care and support to vulnerable children.
- Provide protection, care and support to vulnerable children in communities.

Tables 13.17 and 13.18 reflect a summary of payments and estimates by programme and economic classification. As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in a first and second instalment of R2.718 million and R2.594 million, respectively, against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 was reduced by the instalment amounts in the sub-programmes: Management and Support and Child Care and Protection.

Table 13.17 : Summary of payments and estimates by sub-programme: Children and Families

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Management and Support	364 992	69 072	132 892	109 645	108 945	155 061	121 690	129 340	138 857
2. Care and Services to Families	6 056	10 473	9 268	15 331	16 031	15 697	16 059	17 211	18 270
3. Child Care and Protection	169 927	326 448	349 824	383 556	378 556	369 974	440 687	493 321	536 793
4. ECD and Partial Care	243 634	374 016	414 723	497 786	501 441	516 199	534 449	573 116	599 715
5. Child and Youth Care Centres	95 397	133 757	133 234	176 981	171 981	175 210	155 516	165 065	175 030
6. Community-Based Care Services for Children	61 338	90 148	101 308	117 697	102 697	81 731	122 688	131 878	140 366
Total	941 344	1 003 914	1 141 249	1 300 996	1 279 651	1 313 872	1 391 089	1 509 931	1 609 031
Unauth. Exp. (1st charge) not available for spending	-	(2 718)	(2 594)	-	-	-	-	-	-
Baseline available for spending after 1st charge	941 344	1 001 196	1 138 655	1 300 996	1 279 651	1 313 872	1 391 089	1 509 931	1 609 031

Table 13.18 : Summary of payments and estimates by economic classification: Children and Families

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	494 235	475 250	569 631	708 845	665 307	654 529	767 916	833 025	902 250
Compensation of employees	418 538	408 471	482 976	621 272	572 377	555 317	673 895	732 583	793 139
Goods and services	75 697	66 779	86 655	87 573	92 930	99 193	94 021	100 442	109 111
Interest and rent on land	-	-	-	-	-	19	-	-	-
Transfers and subsidies to:	442 172	490 273	530 148	545 335	567 450	605 090	597 469	650 961	679 409
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	4	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	441 414	489 463	528 354	544 707	566 822	603 469	596 805	650 260	678 669
Households	758	810	1 790	628	628	1 621	664	701	740
Payments for capital assets	4 937	27 214	38 876	46 816	46 894	54 253	25 704	25 945	27 372
Buildings and other fixed structures	-	24 544	38 033	40 628	40 628	47 247	19 157	19 031	20 078
Machinery and equipment	4 937	2 670	843	6 188	6 266	7 006	6 547	6 914	7 294
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	11 177	2 594	-	-	-	-	-	-
Total	941 344	1 003 914	1 141 249	1 300 996	1 279 651	1 313 872	1 391 089	1 509 931	1 609 031
Unauth. Exp. (1st charge) not available for spending	-	(2 718)	(2 594)	-	-	-	-	-	-
Baseline available for spending after 1st charge	941 344	1 001 196	1 138 655	1 300 996	1 279 651	1 313 872	1 391 089	1 509 931	1 609 031

In 2018/19, the department plans to fill 10 vacant posts, as well as a number of Social Worker and Social Worker Supervisor posts, including Child and Youth Care Workers and Team Leaders, as well as a Professional Nurse, among others.

The sub-programme: Management and Support provides for the payment of salaries and administration costs of the management and support staff who provide services across all sub-programmes of this programme. Among other vacant posts, the department plans to fill Service Office Manager posts and Social Workers, with these posts currently at advertisement stage.

The sub-programme: Care and Services to Families provides programmes and services that promote functional families and prevent their vulnerability including the promotion of healthy family life, family preservation and strengthening, parenting skills, as well as fatherhood programmes. The increase in the 2017/18 Adjusted Appropriation is due to reprioritisation from other programmes to alleviate in-year spending pressures. The 2018/19 MTEF shows inflationary growth.

The sub-programme: Child Care and Protection aims to design and implement integrated programmes and services that provide for the development, care and protection of the rights of children. This includes increasing the role of parents and the community at large in the protection of children and ensuring compliance to Chapter 8 of the Children's Act. The decrease in the Adjusted Appropriation relates to the suspension of funds to 2018/19, as explained. The 2018/19 MTEF show inflationary growth only.

The sub-programme: ECD and Partial Care provides comprehensive early ECD services, as well as funding for ECD sites. The increase in the 2017/18 Adjusted Appropriation was due to reprioritisation from other programmes to address in-year spending pressures experienced as a result of the increase in the number of children at the ECD centres. The growth over the MTEF relates mainly to the ECD grant, which is aimed at increasing access to ECD services and assisting existing conditionally registered partial care facilities to meet set norms and standards so that they move to full registration status. Over the 2018/19 MTEF, the ECD grant is reduced by R4.804 million and R5.073 million in 2018/19 and 2019/20, respectively, and increased by R2.534 million in 2020/21. Despite the reduction in 2018/19, the grant grows strongly, with inflationary increases thereafter.

The sub-programme: Child and Youth Care Centres provides alternative care and support to vulnerable children including the registration of CYCCs, as well as monitoring and evaluation of facilities. The growth in 2017/18 relates to the funding of NPOs providing CYCC services. The department will also strengthen the monitoring of all children in CYCCs, and strengthen support to children doing matric. To ensure the achievement of this goal, the department plans to undertake numerous projects over the MTEF

such as the rehabilitation of infrastructure at the Ocean View Place of Safety and the Ubombo service office, with the former being at construction stage and the latter at tender stage. The decrease in the 2017/18 Adjusted Appropriation relates to the suspension of funds to 2018/19, as explained.

The Community-Based Care Services for Children sub-programme provides protection, care and support to vulnerable children in communities. The focus is on children living and working in the streets and getting them into places of safety/care and back to school. The decrease on the 2017/18 Adjusted Appropriation relates to the suspension of funds to 2018/19, as explained. The growth over the 2018/19 MTEF is inflationary only.

The decrease in the 2017/18 Adjusted Appropriation against *Compensation of employees* is due to the realised savings on vacant posts and these were moved to *Goods and services* for ICT infrastructure. Also in 2017/18, funds were reprioritised from *Compensation of employees* to *Transfer and subsidies to: Non-profit institutions* to address spending pressures caused by the higher than anticipated number of children receiving assistance from the department. Among the vacant posts the department plans to fill are Service Office Managers and Social Workers, and this process is currently at the advertisement stage. The category grows at 21.4, 8.7 and 8.3 per cent over the 2018/19 MTEF, which is adequate to fund the planned filling of posts and the carry-through costs.

Goods and services increases steadily over the period under review. The increase in the 2017/18 Adjusted Appropriation and projected over-spending in the 2017/18 Revised Estimate relates to the reprioritisation of R5.357 million from *Compensation of employees* within the programme for ICT infrastructure. The negative growth in 2018/19 is due to the once-off spending on IT infrastructure and the low growth over the outer years of the MTEF is due to reprioritisation in order to address the carry-through effect of pressures against *Transfer and subsidies to: Non-profit institutions*.

Transfers and subsidies to: Non-profit institutions fluctuates over the period under review. The growth in 2019/20 relates to additional funding allocated with carry-through for the provision of support to organisations that provide statutory social welfare services on behalf of the department. Growth in the outer year is inflationary only. The MTEF growth is mitigated by cuts in the ECD grant in 2018/19 and 2019/20, as mentioned.

Transfers and subsidies to: Households relates to staff exit costs.

Buildings and other fixed structures reflects a fluctuating trend. The negative growth in 2018/19 is aligned to the infrastructure plans for the department, with a number of projects scheduled for completion including the Umlazi and Valley View Places of Safety. Over the 2018/19 MTEF, there will be new infrastructure projects including the Msinga Inkululeko ECD and the Pata Place of Safety renovations, with carry-through costs.

The growth in *Machinery and equipment* in the 2018/19 MTEF caters for the purchase of tools of trade for the social work graduates employed against the Social Worker Employment grant, and includes office furniture and computer equipment.

Payments for financial assets relates to the previously mentioned first charge instalments against the department for the previous year's unauthorised expenditure. Note that the amount in 2015/16 includes the write-off of thefts and losses.

Service delivery measures: Children and Families

Table 13.19 illustrates service delivery measures for Programme 3. As with Programme 2, the measures are aligned with those of the Social Development sector.

Note that the measure *No. of Child and Youth Care Worker trainees who received training through the Isibindi model* has been fully achieved in 2016/17, and there are no targets going forward.

Table 13.19 : Service delivery measures: Children and Families

Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Care and services to families					
	• No. of families participating in family preservation services	9 810	69 937	73 434	77 106
	• No. of family members re-united with their families	2 174	3 399	3 569	3 748
	• No. of families participating in parenting skills programmes	43 925	74 645	78 377	82 296
2. Child care and protection					
	• No. of orphans and vulnerable children receiving psycho-social support services	95 714	118 378	124 297	130 512
	• No. of children awaiting foster care placement	3 741	3 963	4 161	4 369
	• No. of children placed in foster care	7 329	6 866	7 209	7 570
3. ECD and partial care					
	• No. of ECD practitioners in registered ECD programmes	1 090	1 360	1 428	1 499
	• No. of fully registered ECD centres	1 052	1 380	1 449	1 522
	• No. of fully registered ECD programmes	1 618	1 632	1 714	1 800
	• No. of conditionally registered ECD centres	1 353	1 453	1 526	1 602
	• No. of conditionally registered ECD programmes	112 309	115 436	121 208	127 268
	• No. of children accessing registered ECD programmes	83 012	88 629	93 060	97 713
	• No. of subsidised children accessing registered ECD programmes	3722	4 169	4 378	4 597
4. Child and youth care centres					
	• No. of child and youth care centres	73	73	73	73
	• No. of children in need of care and protection in funded CYCCs	3 688	3 670	3854	4047
5. Community-based care services for children					
	• No. of Child and Youth Care Worker trainees who received training through Isibindi model	1 082	-	-	-
	• No. of children accessing services through the Isibindi model	54 439	68 012	71 413	74 984

8.4 Programme 4: Restorative Services

The purpose of this programme is to provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organisations. The activities of the programme include the following:

- Develop and implement social crime prevention programmes and provide probation services targeting children, youth and adult offenders and victims within the criminal justice process.
- Design and implement integrated programmes and services to support, care and empower victims of violence and crime, in particular women and children.
- Design and implement integrated services for substance abuse, prevention, treatment and rehabilitation.

Tables 13.20 and 13.21 reflect a summary of payments and estimates by programme and economic classification. As explained, the department is liable for the repayment of previous year's over-expenditure, resulting in first charge instalments of R792 000 and R800 000 against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets*, and the amount available for was reduced by the instalment amounts in the sub-programme: Crime Prevention and Support.

Table 13.20 : Summary of payments and estimates by sub-programme: Restorative Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Management and Support	141 055	57 623	41 976	74 531	65 531	57 367	80 764	86 018	91 797
2. Crime Prevention and Support	56 831	117 339	113 103	127 107	124 120	109 503	132 757	139 436	149 332
3. Victim Empowerment	16 102	28 277	32 277	35 881	35 984	32 384	80 047	102 953	108 796
4. Substance Abuse, Prevention and Rehabilitation	44 185	79 823	85 992	94 434	89 769	85 954	99 525	108 568	115 988
Total	258 173	283 062	273 348	331 953	315 404	285 208	393 093	436 975	465 913
Unauth. Exp. (1st charge) not available for spending	-	(792)	(800)	-	-	-	-	-	-
Baseline available for spending after 1st charge	258 173	282 270	272 548	331 953	315 404	285 208	393 093	436 975	465 913

Table 13.21 : Summary of payments and estimates by economic classification: Restorative Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	200 962	200 929	218 040	273 114	258 114	240 612	293 832	319 833	342 467
Compensation of employees	149 887	152 576	186 088	228 574	208 574	201 187	246 755	267 799	287 572
Goods and services	51 075	48 353	31 952	44 540	49 540	39 419	47 077	52 034	54 895
Interest and rent on land	-	-	-	-	-	6	-	-	-
Transfers and subsidies to:	45 913	48 290	49 940	55 856	54 307	41 472	97 119	114 880	121 060
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	45 568	47 632	49 661	55 702	54 153	40 979	96 956	114 708	120 879
Households	345	658	279	154	154	493	163	172	181
Payments for capital assets	11 298	33 051	4 568	2 983	2 983	3 124	2 142	2 262	2 386
Buildings and other fixed structures	10 998	30 893	3 990	958	958	995	-	-	-
Machinery and equipment	300	2 158	578	2 025	2 025	2 129	2 142	2 262	2 386
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	792	800	-	-	-	-	-	-
Total	258 173	283 062	273 348	331 953	315 404	285 208	393 093	436 975	465 913
Unauth. Exp. (1st charge) not available for spending	-	(792)	(800)	-	-	-	-	-	-
Baseline available for spending after 1st charge	258 173	282 270	272 548	331 953	315 404	285 208	393 093	436 975	465 913

In 2018/19, the department intends to fill six vacant OSD posts, as well a number of Social Worker and Social Worker Supervisor posts, including the Director: Social Work Policy and Social Work Policy Developers, among others.

The sub-programme: Management and Support provides for the payment of salaries and administration costs of the management and support staff who provide services across all sub-programmes of this programme. The decrease in the 2017/18 Adjusted Appropriation relates to the suspension of R9 million being part of the R55 million suspended to 2018/19 as a result of savings under *Compensation of employees* due to lengthy recruitment processes in the filling of posts. The department plans to fill vacant Social Workers posts for crime prevention and Service Office Managers, among others in 2018/19 and these are currently at advertisement stage. Growth over the MTEF is inflationary only.

The sub-programme: Crime Prevention and Support aims to develop and implement social crime prevention programmes and provide probation services targeting children, youth and adult offenders and victims within the criminal justice process. The increase over the 2018/19 MTEF provides for the continued assessment of children in conflict with the law and also the rendering of accredited diversion programmes. In addition, a call for proposal was advertised in late 2017/18 and is expected to be awarded in 2018/19 for the rendering of crime prevention programmes in all districts.

The Victim Empowerment sub-programme aims to design and implement integrated programmes and services to support, care and empower victims of violence and crime, in particular women and children. In 2018/19, the department will accredit shelters for Victims of Human Trafficking programmes in four districts. The department receives additional funding of R42.431 million, R60.183 million and R63.355 million, respectively, over the 2018/19 MTEF for the prevention and early intervention programmes to fight the abuse of women and children.

The sub-programme: Substance Abuse, Prevention and Rehabilitation provides for the design and implementation of integrated services for substance abuse, prevention, treatment and rehabilitation. This includes the prevention of substance abuse, the registration of treatment centres, as well as the establishment and support of the provincial Substance Abuse Forums and local drug action committees. The department advertised a call for proposal to pilot the community-based treatment model in five districts namely, eThekweni South, Ugu, uMgungundlovu, uMkhanyakude and uThukela. In addition, the department also plans to complete the Madadeni Rehabilitation Centre upgrade in 2018/19. Growth over the MTEF is inflationary only.

Compensation of employees reflects an upward trend over the period, due to the filling of vacant funded posts, as well as the absorption of social work graduates, while taking cognisance of the moratorium on the filling of non-critical posts. The decrease in the 2017/18 Adjusted Appropriation is part of the R55 million suspended to 2018/19 to provide for ICT upgrades, various infrastructure projects and tools of trade, as mentioned. The department plans to fill vacant Social Worker posts for crime prevention, as well as Service Office Managers, among others in 2018/19, and these are currently at advertisement stage. The growth in 2018/19 is adequate for the appointment of additional staff at 22.7 per cent and the growth of 8.5 per cent in 2019/20 is sufficient for the carry-through costs of these appointments. However, the outer year's growth is only 7.4 per cent, and is thus insufficient to cover the carry-through costs, and will be addressed in the next budget process.

Goods and services shows a decrease in 2016/17 due to extensive reprioritisation and internal cost-containment to offset pressures against *Compensation of employees*. The increase in the 2017/18 Adjusted Appropriation is due to reprioritisation from *Compensation of employees* within the programme to provide for ICT upgrades at district offices. The steady increase over the 2018/19 MTEF relates to inflationary increases only, and is mainly for security and cleaning costs, as well as travel and subsistence costs of social workers.

The increase against *Transfers and subsidies to: Non-profit institutions* in 2018/19 relates to the additional funding over the 2018/19 MTEF for the prevention and early intervention programmes to fight the abuse of women and children, as mentioned.

Transfers and subsidies to: Households relates to staff exit costs.

With regard to *Buildings and other fixed structures*, the negative growth in 2017/18 and no allocation from 2018/19 onward relates to the department's reassessment of its infrastructure budget and correcting the alignment to the relevant programmes and sub-programmes. The department plans to complete the Madadeni Rehabilitation Centre in 2018/19, and will address the lack of funding in-year.

Machinery and equipment relates to the purchase of office equipment and furniture. The steady increase over the 2018/19 MTEF provides for the purchase of tools of trade, including office furniture and computer equipment in anticipation of posts to be filled.

The amount against *Payments for financial assets* relates to the previously mentioned instalments of the first charge against the department, for prior year's unauthorised expenditure.

Service delivery measures: Restorative Services

Table 13.22 illustrates service delivery measures for Programme 4. The measures are aligned with those of the Social Development sector.

Table 13.22 : Service delivery measures: Restorative Services

Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Crime prevention and support					
	• No. of children in conflict with the law assessed	2 602	2 727	2 863	3 006
	• No. of children in conflict with the law awaiting trial in secure care centres	168	163	171	180
	• No. of sentenced children in secure care centres	-	-	10	11
	• No. of children in conflict with the law referred to diversion programmes	932	1 200	1 260	1 323
	• No. of children in conflict with the law who completed diversion programmes	717	1 140	1 197	1 257
2. Victim empowerment					
	• No. of funded VE programme service centres	45	47	49	51
	• No. of victims of crime and violence accessing services from funded VE service centres	3 910	5 210	5 471	5 745
	• No. of victims of human trafficking identified	57	57	60	63
	• No. of human trafficking victims who accessed social services	62	62	65	68

Table 13.22 : Service delivery measures: Restorative Services

Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
3. Substance abuse, prevention and rehabilitation					
	• No. of children younger than 18 years reached through substance abuse prevention programmes	200 143	217 570	228 449	239 871
	• No. of people (18 and above) reached through substance abuse prevention programmes	127 823	139 051	146 004	153 304
	• No. of service users who accessed in-patient treatment services at funded treatment centres	1 266	1 286	1 350	1 418
	• No. of service users who accessed out-patient based treatment services	2 379	2 462	2 585	2 714

8.5 Programme 5: Development and Research

The purpose of this programme is to provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information. The activities of the programme include the following:

- Build safe and sustainable communities through the creation of strong community networks, based on principles of trust and respect for local diversity, and nurturing a sense of belonging and confidence in local people.
- Support NPO registration and compliance monitoring, NPO stakeholder liaison and communication, provide institutional capacity building, manage NPO funding and monitoring and create a conducive environment for all NPOs to flourish.
- Manage Social Facilitation and Poverty for Sustainable Livelihood programmes (including EPWP).
- Provide communities an opportunity to learn about the life and conditions of their locality and uplift the challenges and concerns facing their communities, as well as their strengths and assets to be leveraged to address their challenges.
- Create an environment to help young people, and women to develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities.
- Promote the implementation of the Population Policy within all spheres of government and civil society through population research, advocacy, and capacity building and by monitoring and evaluating the implementation of the policy.

Tables 13.23 and 13.24 reflect a summary of payments and estimates by programme and economic classification. As explained, the department is liable for the repayment of previous year's over-expenditure, resulting in first charge instalments of R758 000 and R795 000 each against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets* in the sub-programme: Institutional Capacity Building and Support for NPOs, and the amount available for spending was reduced by these instalment amounts.

Table 13.23 : Summary of payments and estimates by sub-programme: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Management and Support	176 948	122 610	112 924	102 729	102 729	122 281	107 570	112 390	121 255
2. Community Mobilisation	208	759	538	1 838	1 838	652	2 310	2 437	2 573
3. Institutional Capacity Building and Support for NPOs	12 964	15 014	30 906	30 608	30 608	9 325	34 232	41 343	43 701
4. Poverty Alleviation and Sustainable Livelihoods	16 585	6 280	15 937	14 597	14 597	14 945	12 281	17 164	18 108
5. Community-Based Research and Planning	-	50	169	1 244	1 244	487	-	928	978
6. Youth Development	27 772	20 429	35 607	42 090	42 090	37 017	43 574	54 953	57 974
7. Women Development	1 416	1 850	7 851	7 259	7 259	7 259	7 259	7 259	7 658
8. Population Policy Promotion	1 422	2 385	1 242	3 154	3 154	2 571	4 275	4 465	4 710
Total	237 315	169 377	205 174	203 519	203 519	194 537	211 501	240 939	256 957
Unauth. Exp. (1st charge) not available for spending	-	(758)	(795)	-	-	-	-	-	-
Baseline available for spending after 1st charge	237 315	168 619	204 379	203 519	203 519	194 537	211 501	240 939	256 957

Table 13.24 : Summary of payments and estimates by economic classification: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	127 218	122 664	127 597	138 243	138 243	133 295	147 985	169 443	181 529
Compensation of employees	92 406	96 144	103 544	107 891	107 891	109 674	117 444	132 674	142 735
Goods and services	34 806	26 520	24 053	30 352	30 352	23 620	30 541	36 769	38 794
Interest and rent on land	6	-	-	-	-	1	-	-	-
Transfers and subsidies to:	43 737	27 681	73 269	53 370	53 370	49 113	50 990	51 027	53 833
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	15 051	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	43 648	27 647	58 162	52 742	52 742	48 881	50 326	50 326	53 093
Households	89	34	56	628	628	232	664	701	740
Payments for capital assets	66 360	18 274	3 513	11 906	11 906	12 129	12 526	20 469	21 595
Buildings and other fixed structures	63 848	15 294	2 648	8 348	8 348	8 571	8 762	16 494	17 401
Machinery and equipment	2 512	2 980	865	3 558	3 558	3 558	3 764	3 975	4 194
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	758	795	-	-	-	-	-	-
Total	237 315	169 377	205 174	203 519	203 519	194 537	211 501	240 939	256 957
Unauth. Exp. (1st charge) not available for spending	-	(758)	(795)	-	-	-	-	-	-
Baseline available for spending after 1st charge	237 315	168 619	204 379	203 519	203 519	194 537	211 501	240 939	256 957

The increase over the 2018/19 MTEF is largely in respect of the filling of 28 OSD posts, including six Directors: Community Development, seven Assistant Directors: Community Development, as well as Community Development Policy Developers and Supervisors, among others.

The sub-programme: Management and Support provides for the payment of salaries and administration costs of the management and support staff who provide services across all sub-programmes of this programme. Over the MTEF, the department plans to fill the vacant posts of the Facility Manager and six Director: Community Development posts, among others. These are currently at advertisement stage.

The Community Mobilisation sub-programme aims to build safe and sustainable communities through the creation of strong community networks, based on principles of trust and respect for local diversity, and nurturing a sense of belonging and confidence in local people. Growth over the MTEF is for inflation and the focus will be on mobilising communities in dealing with xenophobic attacks, reducing the use and abuse of drugs, reducing teenage pregnancy and developing community-based plans. The department plans to conduct more awareness programmes on the abuse of people with albinism across district municipalities.

The Institutional Capacity Building and Support for NPOs sub-programme aims to support NPO registration and compliance monitoring, NPO stakeholder liaison and communication, provide institutional capacity building, manage NPO funding and monitoring and create a conducive environment for all NPOs to flourish. The growth over the 2018/19 MTEF is for inflation only and will fund ongoing support for NPO registration and compliance monitoring and capacity building to funded NPOs, as well as the provision of support for NPO registration and compliance monitoring through the roll-out of NPO helpdesks in the 10 districts. In addition, the department plans to intensify the numerous training programmes it undertakes, such as resource mobilisation and project management.

The sub-programme: Poverty Alleviation and Sustainable Livelihoods seeks to manage social facilitation and Poverty for Sustainable Livelihood programmes. The flat growth in 2018/19 relates to the reprioritisation to Programme 3 to address spending pressures. There is an increase in 2019/20 due to the National Treasury allocation in the 2017/18 MTEF, which was aimed at offsetting previous budget cuts.

The sub-programme: Community-Based Research and Planning aims to afford communities the opportunity to learn about the conditions of their locality and uplift the challenges and concerns facing their communities, as well as the strengths and assets to be leveraged to address their challenges. The MTEF growth is inflationary.

The sub-programme: Youth Development aims to create an environment to help young people develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to

build their competencies and needed skills to engage as partners in their own development and that of their communities. The 2018/19 MTEF includes planned new infrastructure projects, such as the Wentworth Youth Development Centre and the Hibiscus Coast Youth Academy, among others.

The sub-programme: Women Development aims to create an environment to help women to develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities. The department will capacitate staff and stakeholders on critical mandates and policies in order to strengthen its women development programmes over the MTEF.

The sub-programme: Population Policy Promotion aims to promote the implementation of the Population Policy within all spheres of government and civil society through population research, advocacy, and capacity building and by monitoring and evaluating the implementation of the policy. The significant growth in 2017/18 is due to low spending in 2016/17 and the 2018/19 MTEF provides for inflationary increments.

Compensation of employees shows steady growth from 2014/15 to 2016/17 due to the filling of posts. The growth over the 2018/19 MTEF caters for the carry-through costs and the department plans to fill vacant posts such as Assistant Directors and Community Development Managers, among others. These are anticipated to be filled in 2018/19 as the process is currently at advertisement stage. It must be noted that the category does not grow sufficiently in 2018/19 for these appointments (7.1 per cent). However, there is strong growth in 2019/20 of 13 per cent, with growth slightly low at 7.6 per cent in the outer year. This will be addressed by the department in-year.

Although growth is minimal against *Transfers and subsidies to: Non-profit institutions*, the department plans to meet with NPOs to pilot innovative youth development programmes in the Harry Gwala District, as well as establish income generating projects to benefit existing CNDC beneficiaries.

Transfers and subsidies to: Households relates to staff exit costs.

The sharp increase in 2019/20 against *Buildings and other fixed structures* relates to the refurbishment underway at the eThekweni Cluster office and the Wentworth Youth Development Centre. The latter project is currently at the feasibility stage, with carry-through costs over the 2018/19 MTEF.

Machinery and equipment caters for the purchase of replacement furniture, machinery and equipment for office accommodation and community centres.

Payments for financial assets relates to the first charge for previous year's unauthorised expenditure.

Service delivery measures: Development and Research

Table 13.25 illustrates service delivery measures for Programme 5. The measures are aligned with those of the Social Development sector.

Table 13.25 : Service delivery measures: Development and Research

Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Community mobilisation					
	• No. of people reached through community mobilisation programmes	190 633	228 135	239 542	251 519
2. Institutional capacity building and support for NPOs					
	• No. of funded NPOs	2 980	3 483	3 657	3 840
	• No. of NPOs capacitated according to the capacity building guideline	5 863	6 673	7 007	7 357
3. Poverty alleviation and sustainable livelihoods					
	• No. of poverty reduction initiatives supported	391	410	431	453
	• No. of people benefitting from poverty reduction initiatives	14 667	16 784	17 623	18 504
	• No. of households accessing food through DSD food security programmes	3 624	4 275	4 489	4 713
	• No. of people accessing food through DSD feeding programmes (centre based)	11 849	150 496	158 021	165 922

Table 13.25 : Service delivery measures: Development and Research

Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
4. Community-based research and planning					
	• No. of households profiled	10 275	1 800	1 890	1 985
	• No. of communities profiled in a ward	862	870	914	960
	• No. of community-based plans developed	821	24	25	26
5. Youth development					
	• No. of youth development structures supported	554	595	625	656
	• No. of youth participating in skills development programmes	8 836	9 743	10 230	10 742
	• No. of youth participating in youth mobilisation programmes	74 914	96 192	101 002	106 052
6. Women development					
	• No. of women participating in empowerment programmes	42 911	49 500	51 975	54 574
7. Population policy promotion					
	• No. of population capacity development sessions conducted	15	16	17	18
	• No. of individuals who participated in population capacity development sessions	360	378	397	417
	• No. of population advocacy, information, education and communication (IEC) activities implemented	55	58	61	64
	• No. of population policy monitoring and evaluation reports produced	1	1	2	3
	• No. of research projects completed	3	3	4	5
	• No. of demographic profile projects completed	3	11	12	13

9. Other programme information

9.1 Personnel numbers and costs

Table 13.26 presents personnel numbers and costs relating to the department over the seven-year period.

Table 13.26 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Pers. Nos. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Filled posts	Add. posts	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. no. ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
R thousands																			
Salary level																			
1 – 6	1 354	254 719	1 365	272 741	1 340	284 418	1 191	-	1 191	252 872	1 340	338 360	1 340	377 656	1 364	405 551	4.6%	17.1%	20.4%
7 – 10	2 181	646 978	2 184	695 666	2 117	709 396	2 148	-	2 148	818 317	2 304	960 585	2 304	1 040 816	2 335	1 127 853	2.8%	11.3%	58.8%
11 – 12	153	92 933	157	100 351	170	143 892	158	-	158	136 073	170	151 205	170	165 224	174	177 603	3.3%	9.3%	9.4%
13 – 16	45	41 045	44	45 385	47	48 832	43	-	43	54 462	50	59 060	50	63 311	51	68 088	5.9%	7.7%	3.7%
Other	5 517	121 115	5 305	124 407	4 075	100 435	4 262	-	4 262	133 520	4 059	139 620	4 059	126 677	4 227	133 328	(0.3%)	(0.0%)	7.7%
Total	9 250	1 156 790	9 055	1 238 550	7 749	1 286 973	7 802	-	7 802	1 395 244	7 923	1 648 830	7 923	1 773 684	8 151	1 912 423	1.5%	11.1%	100.0%
Programme																			
1. Administration	1 483	308 069	1 542	334 273	1 021	239 049	991	-	991	241 559	1 024	268 135	1 024	288 065	1 079	308 573	2.9%	8.5%	16.5%
2. Social Welfare Services	5 258	187 890	3 265	247 086	3 142	275 316	3 119	-	3 119	290 417	3 142	336 112	3 142	352 563	3 315	378 408	2.1%	9.2%	20.1%
3. Children and Families	1 644	418 538	3 385	408 471	2 596	482 976	2 762	-	2 762	544 282	2 783	676 895	2 783	732 583	2 783	795 709	0.3%	13.5%	40.8%
4. Restorative Services	561	149 887	551	152 576	690	186 088	674	-	674	214 223	690	250 244	690	267 799	690	286 998	0.8%	10.2%	15.1%
5. Development and Research	304	92 406	312	96 144	300	103 544	256	-	256	104 763	284	117 444	284	132 674	284	142 735	3.5%	10.9%	7.5%
Total	9 250	1 156 790	9 055	1 238 550	7 749	1 286 973	7 802	-	7 802	1 395 244	7 923	1 648 830	7 923	1 773 684	8 151	1 912 423	1.5%	11.1%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	1 219	345 831	1 240	378 679	1 197	408 971	1 216	-	1 216	469 337	1 243	554 640	1 243	596 323	1 271	642 974	1.5%	11.1%	33.6%
Prof. Nurses, Staff Nurses & Nursing	22	6 767	22	6 680	35	11 992	34	-	34	12 713	35	15 023	35	16 152	35	17 416	1.0%	11.1%	0.9%
Legal Professionals	5	2 598	5	2 707	5	3 049	5	-	5	2 605	5	3 079	5	3 310	5	3 569	0.0%	11.1%	0.2%
Social Services Professions	2 487	680 479	2 483	726 077	2 453	757 776	2 510	-	2 510	799 089	2 603	944 323	2 603	1 016 232	2 753	1 095 714	3.1%	11.1%	57.3%
Others (interns, EPWP, learnerships)	5 517	121 115	5 305	124 407	4 059	105 185	4 037	-	4 037	111 500	4 037	131 765	4 037	141 667	4 087	152 750	0.4%	11.1%	8.0%
Total	9 250	1 156 790	9 055	1 238 550	7 749	1 286 973	7 802	-	7 802	1 395 244	7 923	1 648 830	7 923	1 773 684	8 151	1 912 423	1.5%	11.1%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The personnel numbers show an increase over the period, due to the revision of the departmental structure in an attempt to cope with policy changes such as the implementation of SCM and the district management model to improve service delivery. Although there is a general increase in staffing levels from 2014/15, the fluctuations in personnel numbers at programme level over this period relate to adjustments on PERSAL linking staff to the relevant programmes, in line with the change in budget structure.

Also contributing to the escalating personnel costs are the increased number of social work staff, the social worker retention strategy (salary upgrades) and the annual salary improvements.

The department is in the process of filling 121 vacant posts in 2018/19 for all programmes and this process is at advertisement stage. A further filling of posts is indicated in 2020/21, but the budget does not increase sufficiently in the outer year, at this stage, and this will be addressed in the next budget process. As mentioned, the department has been allocated an additional above-budget wage amount of R34.974 million for 2020/21. Note that provision should have been made for an inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent for each of the three years of the 2018/19 MTEF, as well as for the 1.5 per cent pay progression. The department has complied with this in 2018/19 (18.2 per cent), with a shortfall in 2019/20 (7.6 per cent) and 2020/21 (7.8 per cent) which will be addressed in the next budget process.

9.2 Training

Table 13.27 gives a summary of departmental spending and information on training. Training includes short courses for in-house staff, as well as internships in the various programmes.

The costs reflected include the costs of staff and other running costs, as well as bursary payments for staff, and the total cost is the same as that reflected against *Training and development* and *Bursaries: Employees* in Annexure 13.B. In addition, the department receives training funded by the HWSETA as part of the benefits of the annual skills levy, but the value is not shown in Table 13.27, and the department plans to continue providing in-house training on relevant legislative and policy mandates including training to improve SCM over the MTEF.

Table 13.27 : Information on training: Social Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	9 250	9 055	7 749	7 802	7 802	7 802	7 923	7 923	8 151
Number of personnel trained	2 276	1 788	2 472	3 758	3 758	3 758	3 800	3 890	4 104
of which									
Male	855	465	946	925	925	925	950	970	1 023
Female	1 421	1 323	1 526	2 833	2 833	2 833	2 850	2 920	3 081
Number of training opportunities	500	598	718	515	515	515	540	575	607
of which									
Tertiary	235	265	270	125	125	125	115	130	137
Workshops	100	235	308	340	340	340	350	360	380
Seminars	165	98	140	50	50	50	75	85	90
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	70	54	55	60	60	60	50	50	53
Number of interns appointed	96	94	92	140	140	140	145	150	158
Number of learnerships appointed	210	12	12	-	-	-	-	-	-
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	3 391	4 968	6 411	5 690	5 654	5 057	5 780	6 159	6 498
2. Social Welfare Services	283	310	154	275	365	175	225	266	280
3. Children and Families	(31)	8	524	-	80	-	70	70	74
4. Restorative Services	-	-	374	-	(1)	225	-	137	145
5. Development and Research	856	3 132	2 904	824	824	1 414	1 573	2 647	2 793
Total	4 499	8 418	10 367	6 789	6 922	6 871	7 648	9 279	9 790

Note: The department also utilises the HWSETA for training at no cost, as part of the benefits from its annual skills levy

ANNEXURE – VOTE 13: SOCIAL DEVELOPMENT

Table 13.A : Details of departmental receipts: Social Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	4 653	5 698	5 644	6 458	6 458	6 356	6 832	7 068	7 456
Sale of goods and services produced by department (excluding capital assets)	4 653	5 698	5 644	6 458	6 458	6 354	6 832	7 068	7 456
Sales by market establishments	3 316	3 616	3 779	4 669	4 669	4 134	4 719	4 769	5 031
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	1 337	2 082	1 865	1 789	1 789	2 220	2 113	2 299	2 425
Of which									
Commission	1 281	1 373	1 430	1 691	1 691	1 572	1 690	1 690	1 783
Tender documents	-	660	327	-	-	558	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	2	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	1	-	-	-
Interest, dividends and rent on land	2	9	1 044	29	29	29	31	31	33
Interest	2	9	1 044	29	29	29	31	31	33
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	3 018	-	2 377	560	560	4 928	592	592	625
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	3 018	-	2 377	560	560	4 928	592	592	625
Transactions in financial assets and liabilities	1 281	1 151	15 879	1 187	1 187	1 093	1 255	1 255	1 324
Total	8 954	6 858	24 944	8 234	8 234	12 407	8 710	8 946	9 438

Estimates of Provincial Revenue and Expenditure

Table 13.B : Payments and estimates by economic classification: Social Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	1 520 152	1 614 697	1 671 707	1 942 820	1 862 698	1 824 158	2 091 758	2 243 154	2 432 391
Compensation of employees	1 156 790	1 238 550	1 286 973	1 531 019	1 435 173	1 395 244	1 648 830	1 773 684	1 912 423
Salaries and wages	1 000 859	1 062 822	1 101 037	1 056 929	1 041 196	1 156 231	1 164 770	1 248 951	1 358 829
Social contributions	155 931	175 728	185 936	474 090	393 977	239 013	484 060	524 733	553 594
Goods and services	363 350	376 059	384 415	411 801	427 400	428 853	442 803	469 338	519 829
Administrative fees	226	1 056	1 986	2 161	1 760	3 249	2 056	2 147	2 266
Advertising	4 784	2 089	2 681	6 652	5 557	4 607	5 351	3 175	3 349
Minor assets	11 116	10 978	3 568	13 922	15 691	8 392	13 148	22 770	24 024
Audit cost: External	4 333	5 631	5 972	5 153	5 153	4 985	5 555	5 847	6 168
Bursaries: Employees	1 416	2 200	2 873	3 192	3 191	2 832	2 927	3 166	3 340
Catering: Departmental activities	7 249	4 150	4 516	6 203	5 037	5 025	6 413	8 530	8 998
Communication (G&S)	29 780	30 125	33 533	23 408	23 361	26 891	25 845	28 547	30 117
Computer services	20 282	21 798	25 378	23 685	36 480	32 019	32 430	24 235	25 568
Cons & prof serv: Business and advisory services	1 834	4 450	1 315	8 964	14 458	9 964	8 853	10 896	11 495
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 406	632	1 090	1 310	1 228	573	1 375	1 452	1 532
Contractors	17 022	31 667	3 234	35 124	30 792	13 487	33 945	35 579	40 684
Agency and support / outsourced services	12 122	13 002	16 105	16 966	17 751	17 107	19 032	23 358	24 644
Entertainment	-	-	-	160	32	69	-	-	-
Fleet services (including govt motor transport)	38 831	38 795	39 326	42 861	43 185	42 409	44 547	36 516	38 524
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	484	226	800	853	471	290	-	216	228
Inventory: Farming supplies	-	-	-	-	(1)	-	-	-	-
Inventory: Food and food supplies	176	277	278	557	374	302	364	389	410
Inventory: Fuel, oil and gas	70	90	-	754	73	174	40	115	121
Inventory: Learner and teacher support material	-	-	-	-	-	-	212	-	-
Inventory: Materials and supplies	459	340	419	1 993	960	671	625	696	733
Inventory: Medical supplies	777	389	321	921	78	301	687	638	673
Inventory: Medicine	10	139	-	80	34	29	112	89	94
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	1 826	810	1 773	1 773	1 871
Consumable supplies	8 026	8 132	10 567	12 151	14 932	11 698	14 391	18 006	18 997
Consumable: Stationery, printing and office supplies	8 339	10 300	7 088	19 261	17 764	12 186	16 737	15 964	16 841
Operating leases	36 495	36 849	44 242	46 767	42 701	46 825	45 173	57 776	60 955
Property payments	77 395	88 120	121 038	74 507	80 717	120 288	96 852	93 355	120 018
Transport provided: Departmental activity	4 993	3 106	2 923	3 690	2 350	3 366	2 939	3 279	3 460
Travel and subsistence	61 639	46 157	40 893	44 878	47 703	47 876	46 616	51 118	53 928
Training and development	3 083	6 218	7 494	3 597	3 731	4 039	4 721	6 113	6 450
Operating payments	3 625	3 505	3 149	6 591	5 629	3 544	4 972	5 476	5 777
Venues and facilities	1 815	2 391	544	3 801	2 418	2 644	3 018	5 400	5 697
Rental and hiring	5 563	3 247	3 082	1 639	1 964	2 201	2 094	2 717	2 867
Interest and rent on land	12	88	319	-	125	61	125	132	139
Interest	12	1	232	-	-	60	-	-	-
Rent on land	-	87	87	-	125	1	125	132	139
Transfers and subsidies	806 210	827 552	914 732	940 909	959 661	959 039	1 021 127	1 094 004	1 146 681
Provinces and municipalities	539	566	664	832	832	769	938	991	1 046
Provinces	539	566	664	832	832	769	938	991	1 046
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	539	566	664	832	832	769	938	991	1 046
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 110	3 350	18 759	3 635	3 927	3 927	3 842	4 061	4 284
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1 110	3 350	18 759	3 635	3 927	3 927	3 842	4 061	4 284
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	780 982	803 769	869 631	912 831	931 291	931 291	991 367	1 062 574	1 113 521
Households	23 579	19 867	25 678	23 611	23 611	23 052	24 980	26 378	27 830
Social benefits	5 717	5 166	7 458	8 515	8 515	7 956	9 008	9 512	10 036
Other transfers to households	17 862	14 701	18 220	15 096	15 096	15 096	15 972	16 866	17 794
Payments for capital assets	161 070	152 669	150 248	157 635	164 005	164 005	174 997	145 236	131 696
Buildings and other fixed structures	127 953	113 508	116 546	116 893	111 234	111 234	108 302	99 817	83 779
Buildings	127 953	109 544	116 546	116 893	111 234	111 234	108 302	99 817	83 779
Other fixed structures	-	3 964	-	-	-	-	-	-	-
Machinery and equipment	33 117	39 161	33 702	40 742	52 771	52 771	66 695	45 419	47 917
Transport equipment	16 050	17 519	18 122	20 189	20 189	20 189	32 025	22 721	23 971
Other machinery and equipment	17 067	21 642	15 580	20 553	32 582	32 582	34 670	22 698	23 946
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	15 439	17 390	-	-	-	-	-	-
Total	2 487 432	2 610 357	2 754 077	3 041 364	2 986 364	2 947 202	3 287 882	3 482 394	3 710 768
Unauth. Exp. (1st charge) not available for spending	-	(6 980)	(6 979)	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 487 432	2 603 377	2 747 098	3 041 364	2 986 364	2 947 202	3 287 882	3 482 394	3 710 768

Table 13.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	427 966	484 165	413 461	419 942	414 650	396 404	459 491	482 007	514 181
Compensation of employees	308 069	334 273	239 049	246 966	241 966	233 404	267 135	288 065	309 572
Salaries and wages	266 542	288 739	208 130	166 860	166 860	187 237	200 547	192 095	208 323
Social contributions	41 527	45 534	30 919	80 106	75 106	46 167	66 588	95 970	101 249
Goods and services	119 891	149 804	174 093	172 976	172 559	162 987	192 231	193 810	204 470
Administrative fees	70	949	900	565	565	1 440	894	812	857
Advertising	1 418	1 005	1 049	2 693	2 693	1 581	2 113	272	287
Minor assets	1 889	1 438	162	3 513	4 538	2 755	4 515	5 117	5 399
Audit cost: External	4 333	5 631	5 972	4 926	4 926	4 903	5 555	5 847	6 169
Bursaries: Employees	1 127	2 197	2 894	3 192	3 192	2 832	2 927	3 166	3 340
Catering: Departmental activities	974	695	511	1 080	1 080	1 419	990	1 025	1 081
Communication (G&S)	17 621	10 471	16 120	10 349	10 368	11 314	13 991	17 333	18 286
Computer services	555	21 274	23 351	21 745	21 695	22 293	32 430	24 235	25 568
Cons & prof serv: Business and advisory services	162	1 515	460	885	885	2 929	885	935	986
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 406	632	1 090	1 310	1 228	573	1 375	1 452	1 532
Contractors	302	113	706	999	684	592	930	1 455	1 535
Agency and support / outsourced services	367	875	564	92	92	420	194	201	212
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	5 909	12 239	15 819	22 149	22 787	21 540	22 960	15 985	16 864
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	120	4	220	250	-	100	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	7	60	-	127	76	76	-	4	4
Inventory: Fuel, oil and gas	3	20	-	279	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	55	56	-	413	279	124	-	-	-
Inventory: Medical supplies	-	9	-	-	-	-	-	-	-
Inventory: Medicine	-	7	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	7	-	-	-
Consumable supplies	1 824	2 535	4 246	3 781	5 424	4 395	4 164	4 414	4 657
Consumable: Stationery, printing and office supplies	4 723	6 104	4 271	6 813	6 905	6 665	7 561	6 255	6 599
Operating leases	17 960	27 312	40 205	31 560	30 582	14 895	31 150	43 637	46 037
Property payments	22 315	24 935	31 576	29 250	27 505	36 114	32 483	33 678	35 530
Transport provided: Departmental activity	-	-	157	-	-	-	10	10	11
Travel and subsistence	32 788	24 917	19 068	19 692	20 162	21 506	20 738	21 621	22 810
Training and development	2 264	2 771	3 517	2 498	2 462	2 225	2 853	2 993	3 158
Operating payments	867	1 254	760	3 932	3 630	1 663	2 750	2 902	3 062
Venues and facilities	310	354	299	771	771	446	614	411	433
Rental and hiring	522	432	176	112	30	180	149	50	53
Interest and rent on land	6	88	319	-	125	13	125	132	139
Interest	6	1	232	-	-	12	-	-	-
Rent on land	-	87	87	-	125	1	125	132	139
Transfers and subsidies	5 417	6 861	8 027	8 831	9 123	8 132	9 397	9 928	10 475
Provinces and municipalities	539	566	664	832	832	769	938	991	1 046
Provinces	539	566	664	832	832	769	938	991	1 046
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	539	566	664	832	832	769	938	991	1 046
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 110	3 350	3 637	3 635	3 927	3 927	3 842	4 061	4 284
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1 110	3 350	3 637	3 635	3 927	3 927	3 842	4 061	4 284
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 768	2 945	3 726	4 364	4 364	3 436	4 617	4 876	5 145
Social benefits	3 768	2 803	2 868	4 364	4 364	3 436	4 617	4 876	5 145
Other transfers to households	-	142	858	-	-	-	-	-	-
Payments for capital assets	20 273	26 851	27 735	25 867	25 867	25 414	50 958	28 800	30 385
Buildings and other fixed structures	-	472	-	-	-	-	-	-	-
Buildings	-	472	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	20 273	26 379	27 735	25 867	25 867	25 414	50 958	28 800	30 385
Transport equipment	16 050	17 519	18 122	20 189	20 189	19 489	32 025	22 721	23 971
Other machinery and equipment	4 223	8 860	9 613	5 678	5 678	5 925	18 933	6 079	6 414
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 271	11 725	-	-	-	-	-	-
Total	453 656	519 148	460 948	454 640	449 640	429 950	519 846	520 735	555 041
Unauth. Exp. (1st charge) not available for spending	-	(1 271)	(1 314)	-	-	-	-	-	-
Baseline available for spending after 1st charge	453 656	517 877	459 634	454 640	449 640	429 950	519 846	520 735	555 041

Table 13.D : Payments and estimates by economic classification: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	269 771	331 689	342 978	402 676	386 384	399 318	422 534	438 846	491 964
Compensation of employees	187 890	247 086	275 316	326 316	304 365	295 662	343 601	352 563	379 405
Salaries and wages	168 369	218 707	240 571	226 980	226 980	246 339	238 863	241 959	262 717
Social contributions	19 521	28 379	34 745	99 336	77 385	49 323	104 738	110 604	116 688
Goods and services	81 881	84 603	67 662	76 360	82 019	103 634	78 933	86 283	112 559
Administrative fees	153	107	658	674	407	800	421	927	978
Advertising	1 608	437	202	772	710	404	591	5	5
Minor assets	5 269	4 270	613	3 366	2 845	1 828	3 078	8 024	8 466
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	283	3	-	-	-	-	-	-	-
Catering: Departmental activities	3 140	1 243	634	980	880	1 263	807	1 815	1 915
Communication (G&S)	4 417	5 303	4 875	3 292	3 976	3 992	3 191	2 927	3 088
Computer services	48	285	-	-	247	186	-	-	-
Cons & prof serv: Business and advisory services	-	10	-	396	6 055	4 359	579	603	636
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	15 338	16 469	485	16 259	15 583	5 857	16 751	17 187	18 133
Agency and support / outsourced services	2 063	1 998	2 361	6 227	6 006	3 911	6 655	9 366	9 882
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	4 853	8 302	7 256	5 281	5 370	6 407	5 475	5 137	5 420
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	2	-	27	4	13	-	-	-
Inventory: Fuel, oil and gas	24	23	-	111	16	52	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	312	208	-	638	179	236	268	157	165
Inventory: Medical supplies	106	118	103	-	-	-	-	-	-
Inventory: Medicine	-	32	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	115	59	115	115	121
Consumable supplies	1 664	1 750	1 072	1 893	2 307	2 473	2 543	4 716	4 976
Consumable: Stationery, printing and office supplies	1 109	2 249	1 220	2 635	2 568	1 846	2 628	3 051	3 218
Operating leases	12 279	1 617	2 173	6 358	4 826	28 520	5 783	4 673	4 930
Property payments	13 885	29 433	38 220	19 765	21 442	31 621	22 735	16 260	38 683
Transport provided: Departmental activity	2 404	1 542	570	399	568	743	388	472	499
Travel and subsistence	8 497	6 935	5 643	5 976	6 470	6 606	5 785	9 397	9 914
Training and development	-	307	154	275	365	175	225	266	280
Operating payments	1 661	752	702	795	476	503	644	857	904
Venues and facilities	404	238	-	51	51	1 146	31	68	72
Rental and hiring	2 364	970	721	190	553	634	240	260	274
Interest and rent on land	-	-	-	-	-	22	-	-	-
Interest	-	-	-	-	-	22	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	268 971	254 447	253 348	277 517	275 411	255 232	266 152	267 208	281 904
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	67	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	67	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	250 352	239 027	233 454	259 680	257 574	237 962	247 280	247 280	260 880
Households	18 619	15 420	19 827	17 837	17 837	17 270	18 872	19 928	21 024
Social benefits	757	861	2 467	2 741	2 741	2 174	2 900	3 062	3 230
Other transfers to households	17 862	14 559	17 360	15 096	15 096	15 096	15 972	16 866	17 794
Payments for capital assets	58 202	47 279	75 556	70 063	76 355	69 085	83 667	67 760	49 958
Buildings and other fixed structures	53 107	42 305	71 875	66 959	61 300	54 421	80 383	64 292	46 300
Buildings	53 107	42 305	71 875	66 959	61 300	54 421	80 383	64 292	46 300
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 095	4 974	3 681	3 104	15 055	14 664	3 284	3 468	3 658
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	5 095	4 974	3 681	3 104	15 055	14 664	3 284	3 468	3 658
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 441	1 476	-	-	-	-	-	-
Total economic classification	596 944	634 856	673 358	750 256	738 150	723 635	772 353	773 814	823 826
Unauth. Exp. (1st charge) not available for spending	-	(1 441)	(1 476)	-	-	-	-	-	-
Baseline available for spending after 1st charge	596 944	633 415	671 882	750 256	738 150	723 635	772 353	773 814	823 826

Table 13.E : Payments and estimates by economic classification: Children and Families

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	494 235	475 250	569 631	708 845	665 307	654 529	767 916	833 025	902 250
Compensation of employees	418 538	408 471	482 976	621 272	572 377	555 317	673 895	732 583	793 139
Salaries and wages	358 640	345 210	407 022	442 970	441 237	464 503	483 736	545 552	595 822
Social contributions	59 898	63 261	75 954	178 302	131 140	90 814	190 159	187 031	197 317
Goods and services	75 697	66 779	86 655	87 573	92 930	99 193	94 021	100 442	109 111
Administrative fees	3	-	252	376	405	399	317	320	338
Advertising	1 141	511	1 013	2 233	1 484	1 399	1 858	1 993	2 103
Minor assets	1 962	1 973	1 587	2 257	3 514	1 317	2 052	3 457	3 647
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	(31)	-	(21)	-	-	-	-	-	-
Catering: Departmental activities	919	238	829	939	347	372	971	1 038	1 095
Communication (G&S)	2 831	4 402	6 828	5 841	5 814	7 555	4 868	5 294	5 585
Computer services	5 750	217	2 027	1 940	7 428	5 580	-	-	-
Cons & prof serv: Business and advisory services	-	33	-	56	20	35	68	73	77
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	647	7 773	816	14 626	13 095	5 477	13 577	14 380	18 317
Agency and support / outsourced services	5 917	5 675	7 003	6 655	6 618	8 442	7 256	7 581	7 998
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	15 825	12 836	8 820	10 533	9 687	8 730	11 107	11 702	12 345
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	157	-	480	603	471	190	-	-	-
Inventory: Farming supplies	-	-	-	-	(1)	-	-	-	-
Inventory: Food and food supplies	169	215	278	364	255	192	334	353	372
Inventory: Fuel, oil and gas	3	11	-	161	16	59	40	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	212	-	-
Inventory: Materials and supplies	92	56	364	585	435	188	225	257	271
Inventory: Medical supplies	664	242	198	754	36	247	587	621	655
Inventory: Medicine	5	26	-	-	2	-	60	62	66
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	1 711	572	1 454	1 454	1 534
Consumable supplies	3 457	2 652	2 871	3 432	4 116	3 091	4 034	4 492	4 739
Consumable: Stationery, printing and office supplies	1 429	849	689	4 481	3 306	1 523	1 928	2 177	2 296
Operating leases	1 182	1 062	1 066	6 632	5 131	2 382	6 087	6 409	6 762
Property payments	24 756	20 101	39 579	13 993	18 290	40 778	26 754	27 909	29 444
Transport provided: Departmental activity	161	824	912	1 529	603	577	908	990	1 044
Travel and subsistence	7 347	4 941	8 455	6 049	8 262	8 068	6 770	7 136	7 528
Training and development	-	8	545	-	80	-	70	70	74
Operating payments	190	715	963	988	786	824	773	825	870
Venues and facilities	377	-	39	1 453	568	514	728	803	847
Rental and hiring	744	1 419	1 062	1 093	451	682	983	1 046	1 104
Interest and rent on land	-	-	-	-	-	19	-	-	-
Interest	-	-	-	-	-	19	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	442 172	490 273	530 148	545 335	567 450	605 090	597 469	650 961	679 409
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	4	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	4	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	441 414	489 463	528 354	544 707	566 822	603 469	596 805	650 260	678 669
Households	758	810	1 790	628	628	1 621	664	701	740
Social benefits	758	810	1 788	628	628	1 621	664	701	740
Other transfers to households	-	-	2	-	-	-	-	-	-
Payments for capital assets	4 937	27 214	38 876	46 816	46 894	54 253	25 704	25 945	27 372
Buildings and other fixed structures	-	24 544	38 033	40 628	40 628	47 247	19 157	19 031	20 078
Buildings	-	20 580	38 033	40 628	40 628	47 247	19 157	19 031	20 078
Other fixed structures	-	3 964	-	-	-	-	-	-	-
Machinery and equipment	4 937	2 670	843	6 188	6 266	7 006	6 547	6 914	7 294
Transport equipment	-	-	-	-	-	700	-	-	-
Other machinery and equipment	4 937	2 670	843	6 188	6 266	6 306	6 547	6 914	7 294
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	11 177	2 594	-	-	-	-	-	-
Total economic classification	941 344	1 003 914	1 141 249	1 300 996	1 279 651	1 313 872	1 391 089	1 509 931	1 609 031
Unauth. Exp. (1st charge) not available for spending	-	(2 718)	(2 594)	-	-	-	-	-	-
Baseline available for spending after 1st charge	941 344	1 001 196	1 138 655	1 300 996	1 279 651	1 313 872	1 391 089	1 509 931	1 609 031

Estimates of Provincial Revenue and Expenditure

Table 13.F : Payments and estimates by economic classification: Restorative Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	200 962	200 929	218 040	273 114	258 114	240 612	293 832	319 833	342 467
Compensation of employees	149 887	152 576	186 088	228 574	208 574	201 187	246 755	267 799	287 572
Salaries and wages	126 640	127 347	156 118	156 917	142 917	166 781	171 027	187 687	203 054
Social contributions	23 247	25 229	29 970	71 657	65 657	34 406	75 728	80 112	84 518
Goods and services	51 075	48 353	31 952	44 540	49 540	39 419	47 077	52 034	54 895
Administrative fees	-	-	42	446	283	439	382	86	91
Advertising	238	-	357	686	402	644	564	678	715
Minor assets	1 679	2 372	1 033	2 375	2 383	1 354	2 364	3 964	4 182
Audit cost: External	-	-	-	-	-	-	-	-	(1)
Bursaries: Employees	-	-	-	-	(1)	-	-	-	-
Catering: Departmental activities	780	673	352	950	476	391	673	1 015	1 070
Communication (G&S)	2 058	7 692	3 486	3 141	2 418	2 766	2 935	2 094	2 209
Computer services	13 929	22	-	-	7 110	3 960	-	-	-
Cons & prof serv: Business and advisory services	-	19	-	261	132	87	374	1 123	1 185
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	430	7 149	822	3 149	1 339	1 266	2 347	2 158	2 277
Agency and support / outsourced services	3 233	3 613	4 289	3 270	4 313	3 890	3 873	3 728	3 934
Entertainment	-	-	-	160	32	69	-	-	-
Fleet services (including govt motor transport)	11 179	3 822	3 915	2 866	3 309	3 092	3 467	2 496	2 633
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	100	222	100	-	-	-	-	216	228
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	40	36	-	203	41	63	-	115	121
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	14	55	347	57	119	132	255	269
Inventory: Medical supplies	7	20	20	167	42	54	100	17	18
Inventory: Medicine	5	74	-	80	32	29	52	27	28
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	172	204	204	216
Consumable supplies	1 033	1 142	2 202	2 822	2 862	1 426	3 174	3 771	3 978
Consumable: Stationery, printing and office supplies	765	430	609	2 685	2 338	1 323	1 982	1 701	1 795
Operating leases	4 525	6 178	329	1 822	1 767	687	1 810	2 546	2 687
Property payments	6 230	11 594	9 932	10 439	12 420	9 841	14 143	14 206	14 987
Transport provided: Departmental activity	910	618	602	1 094	511	1 001	904	965	1 017
Travel and subsistence	2 980	1 934	2 360	6 092	5 740	5 724	6 009	5 947	6 274
Training and development	-	-	374	-	-	225	-	137	145
Operating payments	47	324	480	394	255	215	398	297	313
Venues and facilities	170	90	56	1 001	503	328	745	3 181	3 356
Rental and hiring	737	315	537	90	776	254	445	1 107	1 168
Interest and rent on land	-	-	-	-	-	6	-	-	-
Interest	-	-	-	-	-	6	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	45 913	48 290	49 940	55 856	54 307	41 472	97 119	114 880	121 060
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	45 568	47 632	49 661	55 702	54 153	40 979	96 956	114 708	120 879
Households	345	658	279	154	154	493	163	172	181
Social benefits	345	658	279	154	154	493	163	172	181
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	11 298	33 051	4 568	2 983	2 983	3 124	2 142	2 262	2 386
Buildings and other fixed structures	10 998	30 893	3 990	958	958	995	-	-	-
Buildings	10 998	30 893	3 990	958	958	995	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	300	2 158	578	2 025	2 025	2 129	2 142	2 262	2 386
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	300	2 158	578	2 025	2 025	2 129	2 142	2 262	2 386
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	792	800	-	-	-	-	-	-
Total economic classification	258 173	283 062	273 348	331 953	315 404	285 208	393 093	436 975	465 913
Unauth. Exp. (1st charge) not available for spending	-	(792)	(800)	-	-	-	-	-	-
Baseline available for spending after 1st charge	258 173	282 270	272 548	331 953	315 404	285 208	393 093	436 975	465 913

Table 13.G : Payments and estimates by economic classification: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	127 218	122 664	127 597	138 243	138 243	133 295	147 985	169 443	181 529
Compensation of employees	92 406	96 144	103 544	107 891	107 891	109 674	117 444	132 674	142 735
Salaries and wages	80 668	82 819	89 196	63 202	63 202	91 371	70 597	81 658	88 913
Social contributions	11 738	13 325	14 348	44 689	44 689	18 303	46 847	51 016	53 822
Goods and services	34 806	26 520	24 053	30 352	30 352	23 620	30 541	36 769	38 794
Administrative fees	-	-	134	100	100	171	42	2	2
Advertising	379	136	60	268	268	579	225	227	239
Minor assets	317	925	173	2 411	2 411	1 138	1 139	2 208	2 330
Audit cost: External	-	-	-	227	227	82	-	-	-
Bursaries: Employees	37	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 436	1 301	2 190	2 254	2 254	1 580	2 972	3 637	3 837
Communication (G&S)	2 853	2 257	2 224	785	785	1 264	860	899	949
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	1 672	2 873	855	7 366	7 366	2 554	6 947	8 162	8 611
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	305	163	405	91	91	295	340	399	422
Agency and support / outsourced services	542	841	1 888	722	722	444	1 054	2 482	2 618
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	1 065	1 596	3 516	2 032	2 032	2 640	1 538	1 196	1 262
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	107	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	39	39	21	30	32	34
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	6	-	10	10	4	-	27	28
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	48	53	176	223	223	313	476	613	647
Consumable: Stationery, printing and office supplies	313	668	299	2 647	2 647	829	2 638	2 780	2 933
Operating leases	549	680	469	395	395	341	343	511	539
Property payments	10 209	2 057	1 731	1 060	1 060	1 934	737	1 302	1 374
Transport provided: Departmental activity	1 518	122	682	668	668	1 045	729	842	889
Travel and subsistence	10 027	7 430	5 367	7 069	7 069	5 972	7 314	7 017	7 402
Training and development	819	3 132	2 904	824	824	1 414	1 573	2 647	2 793
Operating payments	860	460	244	482	482	339	407	595	628
Venues and facilities	554	1 709	150	525	525	210	900	937	989
Rental and hiring	1 196	111	586	154	154	451	277	254	268
Interest and rent on land	6	-	-	-	-	1	-	-	-
Interest	6	-	-	-	-	1	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	43 737	27 681	73 269	53 370	53 370	49 113	50 990	51 027	53 833
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	15 051	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	15 051	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	43 648	27 647	58 162	52 742	52 742	48 881	50 326	50 326	53 093
Households	89	34	56	628	628	232	664	701	740
Social benefits	89	34	56	628	628	232	664	701	740
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	66 360	18 274	3 513	11 906	11 906	12 129	12 526	20 469	21 595
Buildings and other fixed structures	63 848	15 294	2 648	8 348	8 348	8 571	8 762	16 494	17 401
Buildings	63 848	15 294	2 648	8 348	8 348	8 571	8 762	16 494	17 401
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 512	2 980	865	3 558	3 558	3 558	3 764	3 975	4 194
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 512	2 980	865	3 558	3 558	3 558	3 764	3 975	4 194
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	758	795	-	-	-	-	-	-
Total economic classification	237 315	169 377	205 174	203 519	203 519	194 537	211 501	240 939	256 957
Unauth. Exp. (1st charge) not available for spending	-	(758)	(795)	-	-	-	-	-	-
Baseline available for spending after 1st charge	237 315	168 619	204 379	203 519	203 519	194 537	211 501	240 939	256 957

Table 13.H : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	5 746	3 000	3 958	85 912	85 912	85 912	84 910	76 853	79 305
Compensation of employees	5 746	3 000	3 958	72 957	72 957	72 957	73 589	64 916	69 104
Salaries and wages	5 746	3 000	3 958	72 957	72 957	72 957	73 589	64 916	69 104
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	12 955	12 955	12 955	11 321	11 937	10 201
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	12 955	12 955	12 955	11 321	11 937	10 201
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	58 924	58 924	58 924	93 978	99 225	108 568
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	58 924	58 924	58 924	93 978	99 225	108 568
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 746	3 000	3 958	144 836	144 836	144 836	178 888	176 078	187 873

Table 13.I : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Programme 2: Social Welfare Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	2 000	-	-	-	-	-	-	-	-
Compensation of employees	2 000	-	-	-	-	-	-	-	-
Salaries and wages	2 000	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 000	-	-	-	-	-	-	-	-

Table 13.J : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Prov. (Prog 2: Social Welfare Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	3 746	3 000	3 958	19 498	19 498	19 498	13 490	-	-
Compensation of employees	3 746	3 000	3 958	19 498	19 498	19 498	13 490	-	-
Salaries and wages	3 746	3 000	3 958	19 498	19 498	19 498	13 490	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 746	3 000	3 958	19 498	19 498	19 498	13 490	-	-

Table 13.K : Payments and estimates by economic classification: Early Childhood Development grant (Programme 3: Children and Families)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	12 955	12 955	12 955	13 565	14 331	12 595
Compensation of employees	-	-	-	-	-	-	2 244	2 394	2 394
Salaries and wages	-	-	-	-	-	-	2 244	2 394	2 394
Goods and services	-	-	-	12 955	12 955	12 955	11 321	11 937	10 201
Contractors	-	-	-	12 955	12 955	12 955	11 321	11 937	10 201
Transfers and subsidies	-	-	-	58 924	58 924	58 924	93 978	99 225	108 568
Non-profit institutions	-	-	-	58 924	58 924	58 924	93 978	99 225	108 568
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	71 879	71 879	71 879	107 543	113 556	121 163

Table 13.L : Payments and estimates by economic classification: Social Worker Employment Grant (Programme 3: Children and Families)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	-	-	53 459	53 459	53 459	57 855	62 522	66 710
Compensation of employees	-	-	-	53 459	53 459	53 459	57 855	62 522	66 710
Salaries and wages	-	-	-	53 459	53 459	53 459	57 855	62 522	66 710
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	53 459	53 459	53 459	57 855	62 522	66 710

VOTE 14

Public Works

Operational budget	R1 585 954 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R1 587 932 000
Responsible MEC	MEC for Human Settlements and Public Works
Administering department	Public Works
Accounting officer	Head: Public Works

1. Overview

Vision

The department's vision is: *An inclusive economy through sustainable infrastructure development and property management.*

Mission statement

The department's mission is: *To improve the life of the people in KZN through sustainable infrastructure development and property management.*

Strategic objectives

Strategic policy direction: The Department of Public Works (DOPW) was restructured to be a capable implementing agent of choice for the client departments requiring building infrastructure services and property management such as office accommodation. The department has a responsibility to deliver on certain key social issues in consultation with the client departments. The department does not only deliver social infrastructure such as schools, clinics and hospitals, but it also co-ordinates the provincial infrastructure cluster. These are the core business functions of the department which are in line with the outcome based strategic goals and objectives in the 5-year strategic plan (2015-2020) of the department.

Core functions

In carrying out its mandate, the department undertakes the following core functions:

- The acquisition of public buildings and land.
- The construction of public buildings, involving the physical erection or major improvements in respect of infrastructure in the building environment.
- The maintenance of public buildings and land, including performing the necessary work to keep the required level of operation and the payment of property rates.
- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

Legislative mandate

Within the broad statutory mandates of government institutions, the following mandates guide the department's core functions:

- Constitution of the Republic of South Africa (No. 108 of 1996)

- Public Service Act (No. 30 of 2007)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Government Immovable Asset Management Act (No. 19 of 2007)
- Local Government: Municipal Rates Act (No. 6 of 2004)
- Construction Industry Development Board Act (No. 38 of 2000)
- National Building Regulations and Building Standards Act (No. 103 of 1977)
- Occupational Health and Safety Act (No. 85 of 1993)
- State Land Disposal Act (No. 48 of 1961)
- Prevention of Eviction from and Unlawful Occupation of Land Act (No. 19 of 1998)
- KwaZulu-Natal Land Administration Act (No. 3 of 2003)
- KwaZulu-Natal Heritage Act (No. 10 of 1997)
- Broad Based Black Economic Empowerment Act (No. 53 of 2004)
- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1995)
- Skills Development Act (No. 97 of 1998)
- Basic Conditions of Employment Act (No. 75 of 1997)
- Intergovernmental Relations Framework Act (No. 13 of 2005)
- Preferential Procurement Policy Framework Act (No. 5 of 2000)
- Cross-Boundary Municipalities Laws Repeal and Related Matters Act, as amended (No. 8 of 2009)
- Council for the Built Environment Act (No. 43 of 2000)
- Engineering Profession Act (No. 46 of 2000)
- Architectural Profession Act (No. 44 of 2000)
- Quantity Surveying Profession Act (No. 49 of 2000)
- Project and Construction Management Professions Act (No. 48 of 2000)
- Occupational Injuries and Diseases Act (No. 130 of 1993)
- Deeds Registry Act (No. 47 of 1937)
- Expropriation Act (No. 63 of 1975)
- Environmental Act (No. 107 of 1998)
- Promotion of Administrative Justice Act (No. 53 of 2002)
- Promotion of Access to Information Act (No. 54 of 2006)
- Skills Development Qualification Act (No. 58 of 1995)
- KwaZulu-Natal Ingonyama Trust Amendment Act (No. 9 of 1997)
- South African Schools Act (No. 84 of 1996)
- Cross-boundary Municipalities Laws Repeal Related Matters Act (No. 23 of 2005)
- KwaZulu-Natal Planning and Development Act (No. 6 of 2008)

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Delivery of building infrastructure and accommodation

The new organogram was approved and is in the process of implementation, in order to align with the IDMS. In this regard, National Treasury is in the process of rolling out the Infrastructure Progression

Model (IPM), which is the third phase of the Infrastructure Delivery Improvement Programme (IDIP). The overall purpose of the model is to assess and review the progress on the Infrastructure Development Management System (IDMS) implementation, and develop a revised Implementation Plan, based on the assessment. Self-assessments were submitted and a sector scoring was facilitated by National Treasury in October 2017. The department is awaiting feedback from National Treasury for the development of the revised Implementation Plan.

Expanded Public Works Programme

EPWP is a nationwide programme that aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. The department had set targets of 6 000 work opportunities and 600 FTEs for 2017/18. A total of 1 402 work opportunities and 140 FTEs were created from April 2017 to December 2017 against these targets, respectively. However, the programme is still underway and it is envisaged that the set targets will be attained by year-end.

EPWP DOE Schools Maintenance programme

The DOE Schools Maintenance programme commenced in August 2017. It is aimed at assisting poor, non-fee paying schools with basic maintenance of school grounds and buildings to ensure children are able to learn in conducive and clean environments. This is done through the deployment of mostly youth beneficiaries at more than 3 000 schools in the province. These people are recruited through the OSS structures and assigned to schools that have been identified by the DOE. This programme is jointly funded between the department and the Wildlands Conservation Trust.

The activities of the programme include basic technical maintenance of the schools and repairs to school infrastructure, door locks, painting, repairs to roof leakages, repairs to broken windows, school yard maintenance (grass cutting, gardening, etc.), cleaning of classrooms and offices, vegetable gardens, recycling, tree propagating, tree planting and attending training sessions, as well as waste collection and community development services.

EPWP provincial co-ordination and monitoring

The department continued with the provincial co-ordination and monitoring of the EPWP, and the main objectives were as follows:

- To ensure that the provincial co-ordination and support function was extended to departments and municipalities in KZN in order to achieve the provincial EPWP work opportunities targets. The department set a target of 64 public bodies, made up of 54 municipalities and 10 provincial departments reporting on EPWP in 2017/18. However, a total of 68 public bodies are currently reporting on EPWP in the province, made up of 54 municipalities and 12 provincial departments and 2 national departments, namely, NDOPW and the Department of Co-operative Governance.
- To provide support to departments and municipalities to ensure that their set EPWP targets are attained, the department continued with the implementation of three interventions to assist in reporting on EPWP, namely the EPWP DORA Workshop, KZN EPWP Indaba and EPWP Focus Week.

Youth Environmental Service programme

The department continued to implement the Youth Environmental Service programme in Kokstad. The aim of the programme is to engage young people in a National Youth Services programme that will instill a sense of pride and community in them through training and service delivery within their communities. In this regard, 160 learners were recruited from 20 deprived wards within uMdoni and Umzumbe Local Municipalities, through OSS.

All recruited learners received protective clothing, and tools were distributed in all training venues. Jojo tanks were procured and kept in the Vulamehlo Local Municipality premises to be distributed to the wards identified, where garden activities will take place. The recruited learners also received accredited training on Plant Production NQF level 3. During the practical training, the beneficiaries established four vegetable gardens within the training venues, for Umzumbe and uMdoni Local Municipalities.

Fixed asset register

The new *Immovable Asset Management System*: ARCHIBUS is fully functional, it incorporates real estate and property portfolio management, capital budgeting and project management, geographical information

system (GIS) and a construction procurement module. ARCHIBUS integrates with the NDOPW Expanded Public Works Reporting Tool, National Treasury Central Supplier Database and the Construction Industry Development Board. It also interfaces with BAS and was used throughout 2017/18.

Finalisation of property valuations: The department finalised the project for property valuations in March 2017, where a total of 3 902 properties were valued. However, the department identified 72 additional properties from the vesting database submitted by the Department of Rural Development and Land Reform, and these properties are currently in the process of being valued.

Finalisation of R293 properties: The department is still in the process of attending to the transfer of R293 properties from the names of the municipalities to the name of the KZN Provincial Government. Delays were experienced in terms of obtaining council resolutions from municipalities such as uMhlathuze, AbaQulusi and iNkosi Langalibalele. The procurement of conveyancers for the Big Five Hlabisa and Nkandla Municipalities is in progress. An investigation into the properties under eNdumeni Municipality is currently proceeding. However, the transfer will not materialise if establishment of the township register has not been completed by the municipality. To this end, no properties were transferred in 2017/18.

Surveying and sub-divisions of State Domestic Facilities (SDFs) on tribal land and farms: The SDFs include schools, clinics, offices and hospitals built on tribal land or on farms not owned by government. This project aims to address the challenges in respect of SDFs built on land that is not surveyed or not sub-divided. The department made no progress in this regard due to budget pressures.

Condition assessments

The department continued with condition assessments of school infrastructure and maintenance. Improvement plans were developed for some facilities. These assessments aim at ensuring that state schools are maintained at an optimal level to support teaching and learning. The invitation to tender for a programme manager for the condition assessments of 460 schools in KZN is in progress, and the assessments are expected to be completed by March 2018. Fifteen interns in built environment professions are attached to the programme to ensure that the set targets are met.

Izandla Ziyagezana programme

The department continued to contribute to the creation of sustainable jobs through the Izandla Ziyagezana programme. The department aimed at sustaining 430 jobs, and the focus was on extending the project to beneficiaries with disabilities. To date, all 430 beneficiaries were sustained, and an additional seven beneficiaries living with disabilities were added to the programme. This programme continues to impact positively on the lives of the poorest of the poor local communities. During the Kamoso Awards held by the department in October 2017, Izandla Ziyagezana won an award as the best programme in the Environment and Culture sector.

Administration: Internal capacity building

Bursary programme: The department awarded 35 external and 34 internal bursaries for the 2017 academic year in professional disciplines – i.e. civil, electrical and mechanical engineering. Female applicants from rural areas were prioritised.

Provincial Infrastructure Master Plan (PIMP)

The department maintained the consolidated database and is in the final stages of transferring the database to a facility that will provide greater public access to facilitate appropriate information sharing to assist decision makers. Several one-on-one engagements between Action Work Group (AWG) convenors and the department's technical support team took place. This process is ongoing and follow-up meetings are being scheduled to facilitate the maturing of the institutionalisation of the data collection processes to facilitate the ongoing monitoring and co-ordination of programmes and projects. The list of catalytic projects was presented and accepted by the Provincial Planning Commission and is being submitted through the Provincial Infrastructure co-ordination work group to the Executive Council.

Mayville Conference centre dining facility

The department received once-off additional funding for the Mayville Conference Centre in 2017/18 for sound proofing the main facility, and conversion of an existing building on the premises into a dining facility. Since the Conference Centre is used by all departments, an improved facility will enable the

province to save on rental and hiring of venues and facilities. The project was divided into three phases, mainly, building the marquee, sound-proofing the facility and upgrading the workshop into the conference centre. According to the department, the first two quarters of 2017 included planning phases for the project where the request for consultants was commissioned in March 2017 to be in line with the department's projections and all planning was to be concluded in the second quarter. However, due to administrative challenges and lengthy processes for acquiring consultants, the professional team members were only approved at the end of September 2017. Phase 1 of the project is underway and the project is envisaged to be completed in 2020/21.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The bulk of the budget in Programme 2 is to cater for property rates, as well as continuing with the implementation of GIAMA projects, including condition assessments of various properties and infrastructure. The budget against Programme 3 largely caters for various infrastructure projects such as construction of offices for the iLembe district, construction of a canteen for the Southern region and car parking facilities, upgrade of the water supply system and parking facilities in the LA Complex in Ulundi, as well as other projects referred to in section 7.5.

Delivery of building infrastructure and accommodation

The new organogram will be implemented and the functioning of the department will be in line with the IDMS. All infrastructure to be delivered will be planned and implemented in line with the IDMS processes. In this regard, National Treasury will provide a date for the development of the previously mentioned revised implementation plan, to be implemented by the department.

Expanded Public Works Programme

The department will continue to ensure that EPWP generates more work opportunities and FTEs towards creating sustainable jobs, which will contribute meaningfully to poverty alleviation. The programme will continue to be extended to beneficiaries with disabilities. The department has set a target of 6 000 work opportunities and 600 FTEs in 2018/19, as well as beneficiary empowerment interventions such as accredited training, as well as assisting beneficiaries to establish co-operatives.

EPWP DOE Schools Maintenance programme

The department will continue to implement the Schools Maintenance programme across the province, in partnership with the Wildlands Conservation Trust, with an estimated number of 3 000 schools. The programme addresses school-based community sustainability and development through basic technical maintenance and repairs to school infrastructure, as mentioned.

EPWP provincial co-ordination and monitoring

The department will continue with the provincial co-ordination and monitoring of the EPWP and will support 66 public bodies, made up of 54 municipalities and 12 provincial departments reporting on EPWP in 2018/19. The support provided will ensure that their set EPWP targets are attained and the department will continue with the implementation of interventions to assist departments and municipalities to report on EPWP, including the EPWP Indaba, workshops and working sessions.

Youth Environmental Service programme

The department will continue to ensure that the Youth Environmental Service programme generates more work opportunities and FTEs towards creating sustainable jobs. A total of 160 participants are targeted within the uMdoni and Umzumbe Local Municipalities. The aim is to recruit young people to participate in training and service delivery within their communities.

Fixed asset register

The ARCHIBUS system functionality incorporates real estate and property portfolio management, capital budgeting and project management, GIS and a construction procurement module. This system will be fully functional with all modules operational from 2018/19, and will run parallel with the PREMIS system.

Finalisation of R293 properties: The department will continue to attend to the transfer of R293 properties from the names of the municipalities to the name of the KZN Provincial Government. The procurement of conveyancers for Big Five Hlabisa and Nkandla will continue in 2018/19 and the transfer of properties in the eNdumeni Municipality will also continue, once a register is completed by the municipalities.

Finalisation of surveying and sub-divisions of SDFs on tribal land and farms: This project, which will be continued in 2018/19, aims to address the challenges in respect of SDFs built on land that is not surveyed or not sub-divided. There are 5 043 SDFs which were built on such land, particularly prior to the new dispensation. The department envisages continuing with this project in 2018/19. The process of surveying and sub-dividing is a multi-year project, however, due to financial constraints the project did not progress in 2017/18. The department has also prioritised the transfer of SDFs on land that is surveyed by the Department of Rural Development and Land Reform.

Condition assessments

Condition assessments of 190 district offices and four district hospitals will be undertaken in 2018/19, and maintenance plans will be developed for these facilities.

Izandla Ziyagezana programme

The department will continue to ensure that the Izandla Ziyagezana programme increases the number of beneficiaries with disabilities. This will be done through engaging with the institutions that look after people living with disabilities. The department intends to investigate the possibility of extending the programme to the cleaning of schools, hence improving the lives of learners in local communities.

Administration: Internal capacity building

Bursary programme: It is projected that 94 internal and external bursaries will be awarded for the 2018 academic year to applicants in professional disciplines – i.e. civil, electrical and mechanical engineering, quantity surveying, and architecture. Female applicants from rural areas will again be prioritised.

Provincial Infrastructure Master Plan (PIMP)

The department will maintain and update the consolidated data on the virtual spatial platform, which will be hosted in a publicly accessible platform to assist decision makers. The department will undertake follow-up one-on-one engagements with AWG convenors and selected stakeholders to ensure the progressive maturity of the institutionalisation of the data collection for monitoring and co-ordinating programmes/projects. A revision of the PIMP document will be finalised and the department will undertake an analysis to determine the alignment of programmes/projects with the respective levels of service and policies per sector. The department will continue to register and capture catalytic projects for monitoring on a quarterly basis.

4. Reprioritisation

The department undertook reprioritisation across programmes and economic classifications over the MTEF. The net effect shows that funds were reprioritised, with carry-through costs, within Programme 1, from *Goods and services* to *Machinery and equipment* in respect of planned telephone network equipment such as data communication and computer networking, as well as to *Goods and services* in Programme 3 to provide for security services. Due to the completion of the uMzinyathi district office, savings were identified and moved from *Goods and services: Rental and hiring* in Programme 2 to Programme 3 to cater for library books, as well as survey and computer equipment. Savings were also reprioritised from Programme 3, *Transfers and subsidies to: Households* to cater mainly for staff exit costs in Programmes 1 and 2. Further to this, funds were reprioritised within Programme 3 from *Maintenance and repairs: Current to Upgrades and additions: Capital* to cater for the budget cuts against infrastructure.

5. Procurement

The department will continue to develop and implement procurement plans for 2018/19 to ensure that the needs of the organisation are in line with the pillars underpinning the department's strategy, as well as the budget allocated to the department.

The major projects for DOPW for 2018/19 include capital infrastructure projects such as the Mayville Conference Centre renovations, the new iLembe district office, upgrading of the Eshowe district office and the implementation of GIAMA projects, including condition assessments conducted on state owned buildings, property valuations, clearing of vacant sites, and provision of security services in respect of unutilised buildings.

6. Receipts and financing

6.1 Summary of receipts

Table 14.1 indicates the sources of funding for Vote 14 for the period 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 14.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	1 313 705	1 399 466	1 428 137	1 495 587	1 495 587	1 495 587	1 581 909	1 681 234	1 788 742
Conditional grants	3 168	3 056	4 471	6 588	6 588	6 588	6 023	-	-
EPWP Integrated Grant for Provinces	3 168	3 056	4 471	6 588	6 588	6 588	6 023	-	-
Total receipts	1 316 873	1 402 522	1 432 608	1 502 175	1 502 175	1 502 175	1 587 932	1 681 234	1 788 742
Total payments	1 388 082	1 406 247	1 454 165	1 506 951	1 542 817	1 542 817	1 587 932	1 681 234	1 788 742
Surplus/(Deficit) before financing	(71 209)	(3 725)	(21 557)	(4 776)	(40 642)	(40 642)	-	-	-
Financing									
of which									
Provincial roll-overs	20 268	-	974	-	-	-	-	-	-
Provincial cash resources	54 622	10 416	27 106	4 776	40 642	40 642	-	-	-
Surplus/(Deficit) after financing	3 681	6 691	6 523	-	-	-	-	-	-

The department was allocated the EPWP Integrated Grant for Provinces from 2013/14 to 2018/19. The department has not yet received a grant allocation for the outer years of the MTEF.

In 2014/15:

- A roll-over of R20.268 million from 2013/14 for the Richmond Community Development programme.
- The department received R54.622 million provincial cash resources as follows:
 - A suspension of R25 million from 2012/13 for the Fixed Asset Management Tool.
 - Once-off additional amounts for the Richmond Community Development programme and the National Youth Service programme (NYSP) of R20 million and R7.500 million, respectively.
 - Carry-through costs of R3.265 million for previous wage agreements.
 - The department's allocation was reduced by R3.277 million in respect of the centralisation of parts of the communications budget and the external bursaries budget under OTP.
 - R1.093 million for work required on the Ulundi Royal Household Palace, former Legislature Assembly (LA) Complex, Ministerial houses and temporary residential units for the Royal Household.
 - R1.041 million for refurbishment work required at Nyokeni Palace, which needed to be completed in time for the Reed Dance ceremony.
- The department under-spent its 2014/15 budget by R3.681 million due to delays in respect of GIAMA related projects, as a result of an extended appeal process for the development of the Fixed Asset Management Tool due to its complex nature.

In 2015/16:

- The department received provincial cash resources of R10.416 million as follows:
 - R9.934 million was suspended from 2013/14 for the Fixed Asset Management Tool.
 - R482 000 for the Richmond Community Development programme was suspended from 2014/15.

- The department under-spent by R6.691 million mainly attributed to delays in appointing service providers for the GIAMA projects, and the PIMP was under-spent due to delays in the finalisation of the tender process.

In 2016/17:

- A roll-over of R974 000 was received from 2016/17 in respect of PIMP relating to the previous year's commitments.
- The department received provincial cash resources of R27.106 million, as follows:
 - R19.220 million for the above-budget 2016 wage adjustment.
 - R7.886 million for the completion of the PIMP. These funds were specifically and exclusively allocated to the department for this purpose.
- The department under-spent its 2016/17 budget by R6.523 million, largely due to delays in the filling of critical posts.

In 2017/18:

- The department received provincial cash resources of R4.776 million for the Mayville Conference Centre to sound-proof the main facility, and to convert an existing building on the premises into a dining facility. Currently when conferences are held at the facility, it is often required to hire a marquee to provide the space required for a dining facility, and this comes at an added cost. These facilities are used by all departments and an improved Conference Centre will enable the province to save on rental and hiring of venues.
- In the 2017/18 Adjusted Appropriation, the department received provincial cash resources of R30 million to assist with the pressures in the payment of property rates. The pressures arose due to high increases in municipal rates by some municipalities, as well as the upgrading of various government buildings, which attract higher property rates. In addition, a roll-over of R5.866 million was received from 2016/17 relating to commitments associated with the development of the PIMP, relating to previous year's commitments.
- As per the December IYM, the department is projecting to fully spend its 2017/18 Adjusted Appropriation.

6.2 Departmental receipts collection

Table 14.2 reflects the estimated departmental receipts for Vote 14. The department is a service provider to other provincial departments, and it is therefore not a major revenue generating entity. The main sources of revenue are of a domestic nature and include housing rent, parking, etc. Details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	5 662	8 433	9 079	8 294	8 294	8 294	9 261	9 626	10 004
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	155	378	1 874	285	285	1 511	302	318	320
Sale of capital assets	12 103	2 697	3 781	4 520	4 520	4 547	1 215	1 930	2 211
Transactions in financial assets and liabilities	1 566	1 488	1 381	910	910	910	862	903	944
Total	19 486	12 996	16 115	14 009	14 009	15 262	11 640	12 777	13 479

Sale of goods and services other than capital assets comprises housing rent recoveries, parking and state-owned property rentals. The increase in 2015/16 is due to arrear government property rentals received from SASSA in November 2015. The high collection in 2016/17 is mainly attributed to a payover received

from SASSA on behalf of the department for the collection of rental for state accommodation from their employees. The revenue fluctuation over the MTEF relates to tender fees, rental for state accommodation, commission on Persal deductions such as insurance premiums and garnishee orders. The uncertain nature of this source results in conservative budgeting by the department over the MTEF.

Interest, dividends and rent on land relates to interest earned on outstanding staff debts. The significant increase in 2016/17 is mainly due to interest received for the sale of St Aidan's Hospital, which is being held in an interest bearing trust account until the transfer of ownership and the conveyancing process is finalised. The substantial collection in 2017/18 Revised Estimate is mainly due to interest generated in respect of St Aidan's Hospital, as mentioned above, as well as interest generated and held in a trust pending the acquisition of Portion 1 of Erf 2536 in Greytown. The budget over the MTEF relates to the interest received from the recovery of staff debt.

Sale of capital assets relates to the sale of redundant motor vehicles, as well as the sale of land and buildings. The substantial revenue collection in 2014/15 was mainly due to the sale of land and buildings, which were no longer required by the provincial government. The increase in 2016/17 is due to the sale of land to the Newcastle Municipality, the sale of redundant motor vehicles by auction, as well as the sale of obsolete furniture and equipment. The increase in 2017/18 is due to the planned auctioning of redundant assets. The revenue budgeted over the MTEF relates to the planned sale of motor vehicles.

Transactions in financial assets and liabilities relates to recoveries of outstanding staff debts from prior years, as well as recoveries from previous years' expenditure, such as over-payments to suppliers. The conservative budget over the MTEF is due to the uncertainty with regards to recovering debts from previous years.

6.3 Donor funding – Nil

7. Payment summary

This section reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 14: Public Works*.

7.1 Key assumptions

The following key assumptions have been used to determine the budget:

- In terms of National Treasury guidelines, departments should have catered for carry-through costs of the above-budget 2017 wage adjustment and an inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent for each of the three years of the 2018/19 MTEF, respectively. Furthermore, provision should have been made for the 1.5 per cent pay progression. The department's *Compensation of employees* budget grows at a rate of 11.5, 7.2 and 8.6 per cent inclusive of the 1.5 per cent annual pay progression for each of the three years of the 2018/19 MTEF, respectively. This means that the budget largely provides for existing staff, as well as the filling of 56 critical posts.
- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.
- The capital budget is based on the department's infrastructure plan.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 14.3 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 14.3 : Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(21 645)	(22 877)	(24 130)	(25 481)	(26 883)
Above-budget 2015 wage agreement	19 329	20 736	22 316	23 566	24 862
Freezing all vacant non-OSD posts	(36 347)	(38 819)	(41 458)	(43 780)	(46 188)
Cutting events' budgets	(106)	(106)	(106)	(112)	(118)
2% Goods and services cut	(4 521)	(4 688)	(4 882)	(5 155)	(5 439)
2017/18 MTEF period		(3 343)	(9 086)	1 143	1 206
Mayville Conference Centre - Dining facility		4 776	-	-	-
PES and Provincial Own Revenue reductions		(5 893)	(6 737)	(11 950)	(12 607)
Budget cuts to fund the remuneration of <i>Izinduna</i>		(2 226)	(2 349)	(2 478)	(2 614)
Additional funding from National Treasury		-	-	15 571	16 427
2018/19 MTEF period		-	-	-	15 040
Above-budget wage agreement			-	-	15 040
Total	(21 645)	(26 220)	(33 216)	(24 338)	(10 637)

In 2016/17, expenditure on *Compensation of employees* was reduced by freezing all vacant non-OSD posts. The department's events budget was cut and the equitable share funded *Goods and services* budget was cut by 2 per cent. DOPW took a decision to mainly effect this cut against the department's GIAMA funding, in view of under-spending due to appeal processes, which delayed the implementation of GIAMA projects. Mitigating these budget cuts to some extent, the department received additional funding for the carry-through costs of the above-budget 2015 wage agreement.

In 2017/18, the department received R4.776 million for the Mayville Conference Centre renovations, as mentioned. On the other hand, the department's baseline was reduced as follows:

- The department's PES allocation was reduced due to data updates of the PES formula, as well as fiscal framework reductions. As such, amounts of R5.893 million, R6.737 million and R11.950 million were reduced in 2017/18, 2018/19 and 2019/20, respectively.
- The Executive Council determined that, in accordance with Presidential proclamations, the *Izinduna* must be remunerated, hence the department's budget was reduced by R2.226 million, R2.349 million and R2.478 million in 2017/18, 2018/19 and 2019/20, respectively.
- In 2019/20, the department receives additional funding of R15.571 million with carry-through from National Treasury, which offset the budget cuts in 2017/18.

In the 2018/19 MTEF, the department receives additional funding of R15.040 million in 2020/21. This additional funding is allocated by National Treasury to provide for the above-budget wage agreement and was proportionately allocated to all 15 Votes.

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The DOPW's budget will accordingly be cut by R7.139 million in the 2018/19 Adjustments Estimate.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 14.3, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R24.130 million, R25.481 million and R26.883 million in 2018/19, 2019/20 and 2020/21, respectively, remain ring-fenced for this purpose.

7.3 Summary by programme and economic classification

Tables 14.4 and 14.5 provide a summary of the Vote's expenditure and budgeted estimates over the MTEF by programme and economic classification, respectively.

The department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector. All programmes are different from the uniform structure except Programme 1 which largely conforms with the programme structure. The department is currently engaging with National Treasury for approval to deviate from the budget structure.

Table 14.4 : Summary of payments and estimates by programme: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	330 664	353 689	370 859	382 684	389 540	388 378	406 788	435 678	470 704
2. Property Management	614 291	637 046	661 556	678 491	675 563	701 475	683 593	722 813	763 605
3. Provision of Buildings, Structures and Equipment	443 127	415 512	421 750	445 776	477 714	452 964	497 551	522 743	554 433
Total	1 388 082	1 406 247	1 454 165	1 506 951	1 542 817	1 542 817	1 587 932	1 681 234	1 788 742

Table 14.5 : Summary of provincial payments and estimates by economic classification: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	740 445	778 916	825 838	869 903	871 698	851 883	922 348	972 268	1 052 282
Compensation of employees	505 875	537 353	583 373	623 058	615 734	598 168	666 946	715 107	776 628
Goods and services	234 569	241 563	242 462	246 845	255 963	253 714	255 402	257 161	275 654
Interest and rent on land	1	-	3	-	1	1	-	-	-
Transfers and subsidies to:	524 694	534 777	563 612	567 573	602 928	633 534	599 828	634 223	669 409
Provinces and municipalities	512 835	524 828	553 579	562 119	592 119	621 447	594 712	629 201	663 675
Departmental agencies and accounts	460	480	396	490	490	447	488	530	560
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	874	34	88	-	100	95	-	-	-
Households	10 525	9 435	9 549	4 964	10 219	11 545	4 628	4 492	5 174
Payments for capital assets	122 920	91 484	54 284	69 475	68 191	57 400	65 756	74 743	67 051
Buildings and other fixed structures	98 248	73 207	32 872	52 453	45 333	34 833	46 049	54 466	47 266
Machinery and equipment	20 211	12 399	13 114	13 022	18 858	17 351	15 707	16 277	15 462
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 461	5 878	8 298	4 000	4 000	5 216	4 000	4 000	4 323
Payments for financial assets	23	1 070	10 431	-	-	-	-	-	-
Total	1 388 082	1 406 247	1 454 165	1 506 951	1 542 817	1 542 817	1 587 932	1 681 234	1 788 742

The 2018/19 budget includes the EPWP Integrated Grant for Provinces of R6.023 million. Overall, the department shows steady growth over the 2018/19 MTEF.

Programme 1: Administration reflects a slight increase in 2015/16 ascribed mainly to payments under *Goods and services* for consultant fees, as well as *Compensation of employees* in respect of the inflationary wage increase. The slight increase in 2016/17 is mainly in respect of *Software and other intangible assets* due to higher than anticipated software licences as a result of new users. The slight increase in the 2017/18 Adjusted Appropriation is due to the purchase of new computer equipment for existing staff. The budget over the MTEF shows steady growth.

Programme 2: Property Management reflects an increase in 2015/16, which relates to the above-budget 2015 wage adjustment and spending pressures brought about by arrear payments in respect of property rates for schools that the department is liable for, as well as arrear payments in respect of property rates for newly identified properties. The slight increase in 2016/17 is mainly attributed to *Transfers and subsidies to: Provinces and municipalities* as a result of the pressures in respect of the payment of property rates. The decrease in the 2017/18 Adjusted Appropriation was mainly due to the shifting of funds in respect of GIAMA condition assessment valuations, from *Goods and services* to the same category in Programme 3. The high spending in the 2017/18 Revised Estimate is mainly attributed to *Transfers and subsidies to: Provinces and municipalities* in respect of property rates in the eThekweni region due to increased high values of property rates, as per the new valuation roll published in 2017. The decrease in the 2018/19 budget is attributed to a decrease in the property rates budget as the department is engaging the NDOPW for assistance in this regard. This will be reviewed in-year, taking into account the outcome of the engagements. The bulk of the MTEF budget caters for municipal property rates, as well as the implementation of GIAMA projects such as the condition assessments of school infrastructure and maintenance, the clearing of vacant sites, the provision of security services to unutilised buildings, as well as property valuations.

Programme 3: Provision of Buildings, Structures and Equipment was high in 2014/15 when compared to 2015/16 attributed to once-off funding for the Richmond Community Development programme relating to ablution facilities in the Richmond area, as well as the NYSP. The slight increase in 2016/17 is largely related to *Compensation of employees* as a result of the moratorium on the filling of non-critical vacant posts, instituted by the Office of the Premier as part of the cost-containment measure. The significant increase in the 2017/18 Adjusted Appropriation is mainly due to the shifting of funds in respect of GIAMA projects from Programme 2 (agency and outsourced services) for condition assessment valuations. The decrease in the 2017/18 Revised Estimate can be ascribed to *Compensation of employees* as a result of lengthy recruitment processes in the filling of professional posts, as well as slower than anticipated progress on capital infrastructure projects. The budget over the MTEF caters mainly for infrastructure projects, as explained in section 7.5 below.

The increasing trend against *Compensation of employees* from 2014/15 onward is influenced by the carry-through costs of the above-budget wage adjustments, as well as provision for improving infrastructure support. Also contributing to the increase was reprioritisation of funds undertaken from other categories to cater for various posts. The low spending in the 2017/18 Revised Estimate is largely as a result of lengthy recruitment processes in the filling of vacant posts. The department receives additional funding in 2020/21 to cater for the above-budget wage agreement. The department has budgeted for the inflationary wage adjustment in line with National Treasury guidelines, as well as the filling of 56 posts. These posts largely relate to improving infrastructure support in Programme 3.

In 2014/15, there was significant spending against *Goods and services* due to once-off additional funding for the NYSP and the Richmond Community Development programme. The increase in 2015/16 relates to payments in respect of the Richmond Community Development programme and the completion of the PIMP. In 2016/17, there was a significant increase against *Goods and services* relating to savings moved from *Compensation of employees* to cater mainly for increased costs of SITA datalines costs. The slight increase in the 2017/18 Adjusted Appropriation is mainly due to a roll-over of R5.866 million received for commitments associated with the development of the PIMP. The decreased spending in the 2017/18 Revised Estimate was largely due to cost-cutting. The allocation in 2018/19 includes R6.023 million in respect of the EPWP Integrated Grant for Provinces, with no grant funding beyond that at this stage.

The spending against *Interest and rent on land* in relates to interest on finance leases, as well as interest paid on overdue water and electricity accounts.

Transfers and subsidies to: Provinces and municipalities shows an increasing trend which relates to the payment of property rates. The significant increase in the 2017/18 Adjusted Appropriation is due to an allocation of R30 million to assist with the pressures in this regard. The pressures have arisen due to high increases in municipal rates by some municipalities, as well as the upgrading of various government buildings, which attract higher property rates. The high spending in the 2017/18 Revised Estimate is mainly in respect of property rates in the eThekweni Region due to increased high values of property rates as per the new valuation roll published in 2017. This category increases steadily over the MTEF, and caters mainly for the payments of property rates, as well as motor vehicle licence fees. The 2018/19 budget reflects a decrease for this category from the 2017/18 Revised Estimate, meaning that the department has not adequately budgeted for the pressures in the payment of property rates. The budget will be reviewed in-year, if necessary.

The erratic trend against *Transfers and subsidies to: Departmental agencies and accounts* is largely driven by workmen's compensation payments, which are based on claims related to injuries on duty.

Transfers and subsidies to: Non-profit institutions relates to donations made in respect of OSS.

Transfers and subsidies to: Households caters for external bursaries and staff exit costs and shows a fluctuating trend due to the unpredictable nature of these costs. The increase in the 2017/18 Adjusted Appropriation is due to the movement of funding from *Goods and services* to cater for external bursaries. The department is planning on increasing the number of beneficiaries, as mentioned previously.

Buildings and other fixed structures fluctuates over the seven years, as it is based on actual capital infrastructure requirements. The high spending in 2014/15 was attributed to once-off funding in respect of the Richmond Community Development programme for ablution facilities, as well as for refurbishment work at Nyokeni Palace, which explains the decrease in 2015/16. The decrease in 2016/17 is due to slower than anticipated progress in respect of the upgrade to the Vryheid depot, as well as the shifting of funds from this category to *Goods and services* in respect of the maintenance of buildings. In 2017/18, the department received once-off additional funding of R4.776 million for the Mayville Conference Centre to sound-proof the main facility and to convert an existing building on the premises into a dining facility. However, due to administrative challenges and lengthy recruitment processes for acquiring consultants, the project is still in its planning phase, as mentioned previously. This largely explains the decrease in the 2017/18 Adjusted Appropriation and the Revised Estimate, as well as reprioritisation of funds to cater for telecommunication and computer equipment. The MTEF allocation provides for construction of new offices in the Central Business District (CBD) of Newcastle and the refurbishment of an existing facility in the eThekweni region office.

Machinery and equipment shows a slight increase in 2016/17 as a result of expenditure relating to telecommunications equipment for the new Tugela Ferry office. The high spending in the 2017/18 Adjusted Appropriation and Revised Estimate is mainly attributed to reprioritisation from *Buildings and other fixed structures* to cater for telecommunication and computer equipment. The fluctuating trend over the 2018/19 MTEF is in line with the department's actual requirements and provides for telephone network equipment and computer hardware.

The increase in 2015/16 against *Software and other intangible assets* is due to a provision for Computer Aided Designs, which architects use for infrastructure drawings. The increase in 2016/17 was due to higher than anticipated costs for Microsoft licences and products for additional users. The budget for 2017/18, 2018/19 and 2019/20 remains constant and provides for COGNOS user licences. This category will be reviewed in-year by the department.

The department wrote off various losses against *Payments for financial assets*.

7.4 Summary of conditional grant payments and estimates

Tables 14.6 and 14.7 relate to the summary of conditional grants receipts and payments.

Note that the historical figures set out in Table 14.6 reflect actual expenditure per grant, and should not be compared to those reflected in Table 14.1, which represent the actual receipts for each grant.

Further details are provided in the *Annexure – Vote 14: Public Works*.

The department received funding for the EPWP Integrated Grant for Provinces from 2013/14 onward. This grant is utilised for the DOE Schools Maintenance programme, as mentioned previously. The department receives R6.023 million in 2018/19. The budget for this grant is allocated against *Goods and services* under training and development in Programme 3.

Table 14.6 : Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
EPWP Integrated Grant for Provinces	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-
Total	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-

Table 14.7 : Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-

7.5 Summary of infrastructure payments and estimates

Table 14.8 presents a summary of infrastructure payments and estimates by category for the Vote. Detailed information on infrastructure is provided in the *2018/19 Estimates of Capital Expenditure*.

Table 14.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	86 752	73 501	45 512	52 170	48 950	48 531	42 106	39 767	47 967
Maintenance and repair: Current	10 514	7 118	17 685	14 829	16 113	20 213	15 090	15 940	24 240
Upgrades and additions: Capital	58 122	51 385	21 349	23 660	23 660	20 283	12 064	9 500	11 589
Refurbishment and rehabilitation: Capital	18 116	14 998	6 478	13 681	9 177	8 035	14 952	14 327	12 138
New infrastructure assets: Capital	22 010	6 824	5 045	15 112	12 496	6 515	19 033	30 639	23 539
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	108 762	80 325	50 557	67 282	61 446	55 046	61 139	70 406	71 506
<i>Capital infrastructure</i>	<i>98 248</i>	<i>73 207</i>	<i>32 872</i>	<i>52 453</i>	<i>45 333</i>	<i>34 833</i>	<i>46 049</i>	<i>54 466</i>	<i>47 266</i>
<i>Current infrastructure</i>	<i>10 514</i>	<i>7 118</i>	<i>17 685</i>	<i>14 829</i>	<i>16 113</i>	<i>20 213</i>	<i>15 090</i>	<i>15 940</i>	<i>24 240</i>

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

Maintenance and repair: Current shows high spending in 2014/15 due to the unanticipated once-off maintenance and repair costs for the eThekweni region, hence the reduction in 2015/16, where funds were reprioritised to cater for the construction of various capital assets. The significant increase in 2016/17 relates to the maintenance and repair of dilapidated buildings. The increase in the 2017/18 Adjusted Appropriation is to cater for the higher than anticipated costs of unplanned day-to-day general repairs and maintenance work of dilapidated departmental buildings in the eThekweni region. The budget over the MTEF increases due to reprioritisation undertaken to cater for planned general maintenance and repairs of buildings in the eThekweni region, the LA Complex in Ulundi and the Emnambithi/Ladysmith offices.

Upgrades and additions: Capital fluctuates over the period. The high spending in 2014/15 was due to progress on the head office project. The 2015/16 spending was mainly ascribed to the head office, uThukela district office and Vryheid depot projects. The decrease in 2016/17 was due to delays in infrastructure projects such as the Vryheid depot, the provision of water tanks in the North Coast region and the completion of the head office project. In 2017/18, the department received R4.776 million for the Mayville Conference Centre, but the project is still in the planning phase as a result of delays in finalising

the tender. The slight decrease in the 2017/18 Revised Estimate relates to delays in infrastructure projects, as mentioned above. The budget over the MTEF is based on the department's actual capital requirements, and includes provision for upgrading the existing regional office in the Mayville, upgrading of existing workshop in the Vryheid sub district office, upgrading of existing offices in the Eshowe district office in the King Cetshwayo region, as well as upgrading of the perimeter fence in the uMzinyathi district office.

Refurbishment and rehabilitation: Capital shows high spending in 2014/15 in respect of the administrative wing of the former LA Complex in Ulundi, comprising landscaping, air-conditioning and electrical maintenance, projects relating to the uMzinyathi and Amajuba district offices, as well as the Esplanade building in Durban. This accounts for the decrease in 2015/16, which was also attributed to the completion of some of these projects. The significant decrease in 2016/17 was due to reprioritisation to cater for current maintenance and repair of dilapidated buildings. The decrease in the 2017/18 Revised Estimate relates to delays in finalising the tender document, due to delays in completing the scope of the LA Complex, in respect of emergency related work. The fluctuating trend over the MTEF mainly relates to new projects such as the rehabilitation and refurbishment of existing facilities in respect of the water supply system and internal roads and parking facilities in the LA Complex, and the refurbishment of the Conference hall dining facility in the eThekweni region, and the eThekweni regional office.

The high spending against *New infrastructure assets: Capital* in 2015/16 is due to reprioritisation undertaken from *Maintenance and repair: Current*, and *Upgrades and additions: Capital* to fund the construction of the uThukela and iLembe district offices, as well as the new canteen in the Southern region. The spending in 2016/17 is mainly attributed to drought relief initiatives. The slightly low spending in the 2017/18 Revised Estimate is mainly due to slower than anticipated progress in the finalisation of the subdivision and zoning of land in respect of the new iLembe district office. The fluctuating trend over the 2018/19 MTEF is based on the department's actual capital infrastructure requirements including continuing with the construction of a new district office in iLembe, the construction of the canteen in the uMgungundlovu district office, construction of the new CBD offices in Newcastle, as well as the construction of additional parking facilities for the Southern region.

7.6 Public Private Partnerships (PPPs) – Nil

7.7 Transfers to public entities (listed i.t.o Schedule 3 of PFMA) and other entities – Nil

7.8 Transfers to local government

Tables 14.9 and 14.10 indicate transfers to local government. The transfers are in respect of the payment of property rates to municipalities. Further details of these transfers per category are presented in *Annexure – Vote 14: Public Works*. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the tables. The amounts indicated as *Unallocated* relate to property rates for properties owned by the KZN provincial government, but located in other provinces.

Table 14.9 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	235 715	250 408	254 328	249 018	279 018	280 582	263 458	278 739	294 070
Category B	276 771	274 118	298 954	312 795	312 795	340 599	330 937	350 131	369 388
Category C	-	-	-	-	-	-	-	-	-
Unallocated	24	17	12	60	60	(4)	60	63	66
Total	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524

Table 14.10 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Property rates	3.1 Person. & Admin Related	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Total		512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524

The spending in 2014/15 and 2015/16 includes arrear payments of newly identified properties by municipalities in respect of property rates for the eThekweni Metro, uMgungundlovu, uThukela, uMzinyathi, Amajuba, Zululand, King Cetshwayo, iLembe and Harry Gwala District Municipalities. The high spending in 2016/17 is ascribed to arrear payments in respect of property rates for the eThekweni metro, uMzinyathi, uMkhanyakude, Zululand, King Cetshwayo, iLembe, Amajuba, and Harry Gwala District Municipalities. The significant increase in the 2017/18 Adjusted Appropriation is due to additional funding of R30 million that was allocated to the department to assist with the pressures in the payment of property rates in respect of all provincial properties. The further increase in the Revised Estimate is in respect of pressures in the payment of property rates in the eThekweni region, as mentioned previously. However, the department is currently engaging with the NDOPW to assist with the pressures in the payment of property rates over the MTEF. As such the provision for the payments of property rates increases at an inflationary rate over the MTEF. This will be reviewed in-year taking into account the outcome of the engagement with NDOPW.

7.9 Transfers and subsidies

Table 14.11 is a summary of *Transfers and subsidies* per programme.

Table 14.11 : Summary of transfers and subsidies by programme and main category

Table 14.11 : Summary of transfers and subsidies by programme and main category									
R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	5 858	6 731	5 894	4 235	8 060	8 835	4 164	4 032	3 894
Provinces and municipalities	325	285	285	246	246	270	257	268	151
Motor vehicle licences	325	285	285	246	246	270	257	268	151
Departmental agencies and accounts	456	480	396	457	457	442	459	469	497
Skills development levy	454	480	396	415	415	415	415	430	454
Social security funds - Comp. Commissioner	2	-	-	42	42	27	44	39	43
Non-profit institutions	874	34	88	-	100	95	-	-	-
NPI: Donations and gifts	874	34	88	-	100	95	-	-	-
Households	4 203	5 932	5 125	3 532	7 257	8 028	3 448	3 295	3 246
Bursaries: Non employees	-	2 788	2 485	2 586	6 086	5 249	2 718	2 624	2 624
Staff exit costs	4 203	3 144	2 640	946	1 171	2 779	730	671	622
2. Property Management	512 586	524 578	553 398	561 908	591 992	621 339	594 536	628 968	663 559
Provinces and municipalities	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Municipalities - Property rates	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Social security funds - Comp. Commissioner	-	-	-	5	5	5	5	5	5
Households	76	35	104	30	114	157	76	30	30
Social benefits	76	35	104	30	114	157	76	30	30
3. Provision of Buildings, Structures and Equipment	6 250	3 468	4 320	1 430	2 876	3 360	1 128	1 223	1 956
Departmental agencies and accounts	4	-	-	28	28	-	24	56	58
Social security funds - Comp. Commissioner	4	-	-	28	28	-	24	56	58
Households	6 246	3 468	4 320	1 402	2 848	3 360	1 104	1 167	1 898
Injury on duty	330	2	198	-	-	-	-	-	-
Staff exit costs	5 916	3 466	4 122	1 402	2 848	3 360	1 104	1 167	1 898
Total	524 694	534 777	563 612	567 573	602 928	633 534	599 828	634 223	669 409

Provinces and municipalities in Programme 1 reflects the payment of motor vehicle licences.

Departmental agencies and accounts in all programmes relates to workmens' compensation, with no payments shown in the prior years due to no relevant incidents occurring. The allocation in Programme 1 also caters for the skills development levy transfer to PSETA.

Spending against *Non-profit institutions* under Programme 1 relates to donations made to schools and war-rooms in respect of OSS.

The fluctuating trend against *Households* in all programmes can be ascribed to unpredictable staff exit costs and external bursary costs. Spending in 2015/16 under *Bursaries: Non-employees* against Programme 1 was for the payment of external bursaries, which was centralised under OTP in 2014/15, hence no expenditure was recorded in 2014/15. However, in 2015/16 the allocation was decentralised and allocated back to the department. The significant increase in the 2017/18 Revised Estimate is due to spending pressures in respect of *Bursaries: Non-employees* costs, as a result of the department's strategic decision to fund more bursaries than budgeted. The budget over the MTEF increases steadily and includes an allocation for external bursaries, as detailed in the Outlook, as well as a provision for staff exit costs.

The high amount against *Provinces and municipalities* in 2016/17 in respect of Programme 2 was due to arrear payments in respect of property rates, as mentioned previously. The significant increase in the 2017/18 Adjusted Appropriation is attributed to funds that were allocated to the department to assist with the pressures in the payment of property rates. The pressures have arisen due to high increases in municipal rates by some municipalities, as well as the upgrading of various government buildings, which attract higher property rates. The high spending in the 2017/18 Revised Estimate is mainly attributed to property rates in the eThekweni region due to increased values of property rates as per the new valuation roll published in 2017. The 2018/19 budget reflects a decrease for this category from the 2017/18 Revised Estimate, meaning that the department has not adequately budgeted for the pressures in the payment of property rates. The budget will be reviewed in-year, if necessary, following discussions with NDOPW.

8. Programme description

The services rendered by the department are categorised under three programmes, the details of which are provided below. The information for each programme is summarised in terms of sub-programmes and economic classification. As mentioned, the department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector. Programme 1 largely conforms to the uniform budget and programme structure, but Programmes 2 and 3 do not conform. Details according to the economic classification are given in the *Annexure – Vote 14: Public Works*.

8.1 Programme 1: Administration

The main objectives of this programme are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services and risk management.

Tables 14.12 and 14.13 summarise expenditure and budgeted estimates relating to Programme 1: Administration, for the financial years 2014/15 to 2020/21.

Table 14.12 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Minister Support	13 405	13 858	14 772	12 701	12 201	11 351	13 356	14 038	15 033
2. Management	317 259	339 831	356 087	369 983	377 339	377 027	393 432	421 640	455 671
Total	330 664	353 689	370 859	382 684	389 540	388 378	406 788	435 678	470 704

Table 14.13 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	301 177	329 527	344 810	362 451	359 646	357 775	384 678	412 638	447 637
Compensation of employees	235 025	254 491	272 618	286 820	285 452	282 722	306 398	332 152	364 115
Goods and services	66 152	75 036	72 189	75 631	74 193	75 052	78 280	80 486	83 522
Interest and rent on land	-	-	3	-	1	1	-	-	-
Transfers and subsidies to:	5 858	6 731	5 894	4 235	8 060	8 835	4 164	4 032	3 894
Provinces and municipalities	325	285	285	246	246	270	257	268	151
Departmental agencies and accounts	456	480	396	457	457	442	459	469	497
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	874	34	88	-	100	95	-	-	-
Households	4 203	5 932	5 125	3 532	7 257	8 028	3 448	3 295	3 246
Payments for capital assets	23 629	17 431	20 109	15 998	21 834	21 768	17 946	19 008	19 173
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	19 168	11 553	11 811	11 998	17 834	16 552	13 946	15 008	14 850
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 461	5 878	8 298	4 000	4 000	5 216	4 000	4 000	4 323
Payments for financial assets	-	-	46	-	-	-	-	-	-
Total	330 664	353 689	370 859	382 684	389 540	388 378	406 788	435 678	470 704

The sub-programme: Minister Support provides support including administrative, operations, protocol, security, parliamentary liaison and communication to the MEC, which is a joint ministry with Vote 8: Human Settlements. The budget over the 2018/19 MTEF provides for operational costs, as well as marketing costs mainly in respect of SABC media, newspaper advertisements costs, and printing costs. This sub-programme reflects steady growth over the MTEF.

The sub-programme: Management includes financial management services, risk management, SCM and corporate services. These units provide support and advice in terms of human resource practices, all legal matters, security and logistics, as well as communication and information management systems. This sub-programme shows steady growth over the MTEF.

With regard to *Compensation of employees*, the MTEF growth is at 8.4 per cent, 8.4 per cent and 9.6 per cent, which is slightly higher than the amount prescribed by National Treasury including the 1.5 per cent pay progression, which means that the department has effectively budgeted for the wage increment, as well as the filling of nine posts in 2020/21. The department receives additional funding of R7.052 million in 2020/21 to cater for the above-budget wage agreement, hence the high increase in that year.

Goods and services caters for the operational costs for this programme, including computer services for SITA costs in respect of network maintenance, communication, fleet services cost for fuel and oil, repairs for departmental vehicles, agency and support/outourced services, the appointment of service providers to provide project management and co-ordination services for CETA funded programmes. In addition, this category includes the appointment of consultants to assist the department in the preparation of their immovable asset register and financial statements, audit costs, as well as training and development. The MTEF allocation includes provision for the above activities.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licence fees.

Transfers and subsidies to: Departmental agencies and accounts caters for the skills development levy and workmen's compensation.

Transfers and subsidies to: Non-profit institutions relates to donations made to schools and war-rooms in respect of OSS.

Transfers and subsidies to: Households provides for staff exit costs and external bursaries. The 2018/19 MTEF includes provision for 53 external bursaries in 2018/19, and a provision for staff exit costs.

Machinery and equipment increases in the 2017/18 Revised Estimate, in respect of telecommunication and computer equipment. The allocation thereafter shows a steady trend over the MTEF and provides for telecommunication and computer hardware equipment, as mentioned previously.

Software and other intangible assets provides for the purchase of Microsoft software licences and datalines, as well as costs related to the ARCHIBUS system.

8.2 Programme 2: Property Management

The main purpose of Programme 2 is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, maintenance and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Programme 2 also includes the leasing of buildings. Tables 14.14 and 14.15 summarise payments and budgeted estimates from 2014/15 to 2020/21.

Table 14.14 : Summary of payments and estimates by sub-programme: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Personnel and Admin Related	609 125	631 195	659 343	677 164	675 256	701 305	683 248	722 524	763 206
2. Hiring	5 009	5 609	2 115	1 095	75	-	-	-	-
3. Acquisition of Land, Control and Disposal	157	242	98	232	232	170	345	289	399
Total	614 291	637 046	661 556	678 491	675 563	701 475	683 593	722 813	763 605

Table 14.15 : Summary of payments and estimates by economic classification: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	101 615	112 416	107 623	116 363	83 351	80 056	88 820	93 795	100 046
Compensation of employees	43 583	45 647	49 106	52 650	52 566	51 359	56 684	60 115	64 613
Goods and services	58 032	66 769	58 517	63 713	30 785	28 697	32 136	33 680	35 433
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	512 586	524 578	553 398	561 908	591 992	621 339	594 536	628 968	663 559
Provinces and municipalities	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	76	35	104	30	114	157	76	30	30
Payments for capital assets	90	52	44	220	220	80	237	50	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	90	52	44	220	220	80	237	50	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	491	-	-	-	-	-	-
Total	614 291	637 046	661 556	678 491	675 563	701 475	683 593	722 813	763 605

The sub-programme: Personnel and Admin Related provides for the management of immovable assets in terms of GIAMA and manages the payment of property rates. Additional funding of R30 million in respect of property rates pressures was added to this sub-programme in the 2017/18 Adjustments Estimate but was offset by a shift of R31.908 million from this sub-programme to Programme 3 relating to the GIAMA conditional assessments, as this amount was incorrectly budgeted for under Programme 2 instead of Programme 3, hence no increase is visible in the Adjusted Appropriation. The increase in the 2017/18 Revised Estimate relates to reprioritisation to cater for the pressures in the payment of property rates. The MTEF allocations cater for property rates, as well as the continuation of the implementation of GIAMA projects including condition assessments of 190 district offices and four district hospitals, clearing of vacant sites, provision of security services to unutilised buildings, as well as property valuations. This sub-programme shows strong growth over the 2018/19 MTEF.

The sub-programme: Hiring facilitates the provision of accommodation for the department. The 2017/18 budget was allocated to cater for leases of office accommodation in the uMzinyathi district, while the district offices were under construction. This sub-programme has no allocation over the MTEF due to the completion of the uMzinyathi district office in 2017/18.

The sub-programme: Acquisition of Land, Control and Disposal manages property needs for provincial departments with respect to property acquisitions, disposal and lettings. The budget caters for business and advisory service costs incurred when acquiring or disposing of property.

Compensation of employees growth is at 10.3, 6.1 and 7.4 per cent over the MTEF, which is higher than the amount prescribed by National Treasury and the 1.5 per cent pay progression in 2018/19 only, which means that the department has effectively budgeted for salary increases for the existing staff and the filling of the seven posts, such as Assistant Director: Information Technology in 2018/19, thereafter, the growth for this category will be reviewed by the department in 2019/20 and 2020/21. It is noted that the department allocated R1.251 million to this programme in 2020/21, being a portion of the additional allocation for the above-budget wage agreement.

Goods and services includes the budget for the implementation of GIAMA projects such as the condition assessments of district offices and district hospitals and maintenance, property valuation, clearing of vacant sites, provision of security services to unutilised buildings, as well as the building lease for the uMzinyathi district office. This category shows healthy growth over the MTEF.

Transfers and subsidies to: Provinces and municipalities relates to property rates liable to municipalities and motor vehicle licences. The department received additional funding in the 2017/18 Adjustments Appropriation to cater for the pressures in the payment of property rates, as mentioned previously.

The allocation over the MTEF does not cater for the increased pressure in the payment of property rates. However, the department is engaging with the NDOPW, as mentioned previously. This budget will be reviewed in-year to cater for these pressures, pending the outcome of the engagements.

Transfers and subsidies to: Departmental agencies and accounts is for the payment of workmen's compensation, and is linked to claims received.

Transfers and subsidies to: Households provides for staff exit costs.

Machinery and equipment fluctuates over the 2018/19 MTEF and this is linked to actual requirements in respect of computer equipment.

Service delivery measures: Property Management

Table 14.16 reflects the service delivery measures for Programme 2. The department provided internal service delivery measures for Programme 2, which are a mix of sectoral and non-sectoral measures. It is noted that the targets are different from the 2017/18 EPRE, however, these targets were amended in the 2017/18 Adjustments Estimate to match the APP.

Table 14.16 : Service delivery measures: Property Management

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1. Effectively manage immovable assets in terms of GIAMA	No. of immovable assets verified in the Immovable Asset Register in accordance with the mandatory requirements of National TreasuryT	1 250	1 022	1 000	1 000
	U-AMPs completed and submitted to Provincial Treasury in accordance with GIAMA	1	1	1	1
	C-AMP completed and submitted to Provincial Treasury in accordance with GIAMA	1	1	1	1
	No. of properties registered into the name of the KZN provincial government	200	228	200	200
	Financial expenditure on approved property rates invoices from municipalities	R562m	R594m	R620m	R650m
2. Effectively provide accommodation needs for provincial departments	No. of lease agreements concluded	100	120	100	100
	No. of properties acquired	20	15	15	15

8.3 Programme 3: Provision of Buildings, Structures and Equipment

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services of Programme 3 are:

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through the EPWP.
- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Co-ordinating and aligning operational activities in line with municipal demarcations.

Tables 14.17 and 14.18 summarise payments and budgeted estimates relating to Programme 3 for the period 2014/15 to 2020/21.

Table 14.17 : Summary of payments and estimates by sub-programme: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Personnel and Admin Related	334 267	335 187	361 664	378 145	415 919	397 758	436 383	452 294	482 894
2. Buildings and Structures	108 860	80 325	60 086	67 631	61 795	55 206	61 168	70 449	71 539
Total	443 127	415 512	421 750	445 776	477 714	452 964	497 551	522 743	554 433

Table 14.18 : Summary of payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	337 653	336 973	373 405	391 089	428 701	414 052	448 850	465 835	504 599
Compensation of employees	227 267	237 215	261 649	283 588	277 716	264 087	303 864	322 840	347 900
Goods and services	110 385	99 758	111 756	107 501	150 985	149 965	144 986	142 995	156 699
Interest and rent on land	1	-	-	-	-	-	-	-	-
Transfers and subsidies to:	6 250	3 468	4 320	1 430	2 876	3 360	1 128	1 223	1 956
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4	-	-	28	28	-	24	56	58
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 246	3 468	4 320	1 402	2 848	3 360	1 104	1 167	1 898
Payments for capital assets	99 201	74 001	34 131	53 257	46 137	35 552	47 573	55 685	47 878
Buildings and other fixed structures	98 248	73 207	32 872	52 453	45 333	34 833	46 049	54 466	47 266
Machinery and equipment	953	794	1 259	804	804	719	1 524	1 219	612
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	23	1 070	9 894	-	-	-	-	-	-
Total	443 127	415 512	421 750	445 776	477 714	452 964	497 551	522 743	554 433

The sub-programme: Personnel and Admin Related provides for the maintenance of the department's buildings and the maintenance of buildings to client specifications. The sub-programme was increased in the 2017/18 Adjusted Appropriation by R31.908 million due to a shift of funds from Programme 2 relating to the GIAMA conditional assessments, as this amount was incorrectly budgeted for under Programme 2. The MTEF allocations include the ring-fenced improving infrastructure support funds, as well as the EPWP Integrated Grant for Provinces allocation of R6.023 million in 2018/19. Also catered for is the EPWP DOE Schools Maintenance programme, Youth Environmental Service programme and EPWP provincial co-ordination and monitoring. The MTEF budget grows steadily to cater for these programmes.

The sub-programme: Buildings and Structures deals with construction, upgrades or refurbishment of the department's capital infrastructure. The budget shows a fluctuating trend over the MTEF, as it is based on the department's actual capital infrastructure requirements, including new and carry-through costs of certain projects such as the construction of offices for the iLembe office, construction of a canteen for the Southern region and car parking facilities, upgrade of the water supply system in the North Coast region and parking facilities projects in the Southern region, as well as the replacement of air conditioning in the south wing of the eThekweni regional office. The department received once-off additional funding of R4.776 million in 2017/18 for the Mayville Conference Centre, but this project is only in the planning phase at this stage due to delays in awarding the tender, as mentioned previously.

The budget for *Compensation of employees* grows steadily over the 2018/19 MTEF. The growth in 2018/19 is at 15.1 per cent, which is higher than the growth prescribed by National Treasury including the 1.5 per cent pay progression. The 2018/19 MTEF allocation includes improving infrastructure support funding, where amounts of R24.130 million, R25.481 million and R26.883 million in 2018/19, 2019/20 and 2020/21 respectively, remain ring-fenced for this purpose. The department is planning to fill 54 posts including the EPWP co-ordinator post, and other posts related to infrastructure support. There is marginal growth over the 2018/19 MTEF, and this will be reviewed in-year. The programme receives additional funding of R6.737 million in 2020/21 to cater for the above-budget wage agreement.

Goods and services includes the EPWP Integrated Grant for Provinces and provision for the maintenance and repairs of the department's infrastructure. In 2017/18, a reprioritisation exercise was undertaken by the department from capital infrastructure projects such as the uMgungundlovu district office roof replacement and the head office project, as it is in its completion stage. These funds were used to cater for maintenance and repairs, in respect of electrical repairs, maintenance of the landscape, and the maintenance of air-conditioning at the LA Complex, as well as planned general repairs and maintenance of buildings in the Emnambithi/Ladysmith offices and the Midlands region. The department received R6.588 million for the EPWP Integrated Grant for Provinces in 2017/18, as well as R6.023 million in

2018/19, with no allocation for the outer years of the MTEF at this stage. Provision is also made for the EPWP co-ordination programme, property payments for security services, water and electricity costs.

Transfers and subsidies to: Departmental agencies and accounts relates to workmen's compensation payments, which are difficult to budget for.

Transfers and subsidies to: Households is largely ascribed to staff exit costs.

With regard to *Buildings and other fixed structures*, there is a fluctuating trend over the 2018/19 MTEF, which is based on actual infrastructure requirements. The department received once-off additional funding of R4.776 million for the Mayville Conference Centre in 2017/18 to sound proof the main facility and to convert an existing building on the premises into a dining facility. This explains the decrease in 2018/19. The outer year of the MTEF shows strong growth linked to the department's infrastructure requirements such as construction of a new office in the CBD of Newcastle and the refurbishment of an existing facility in the eThekweni region office. The decrease in the 2017/18 Adjusted Appropriation and Revised Estimate is due to slower than anticipated progress in various projects, as mentioned under section 7.5.

Machinery and equipment fluctuates, and this is based on requirements for both head office and districts. The high growth in 2018/19 is in line with the anticipated filling of posts and provision of computer equipment for new staff. The budget in the two outer years caters for replacement of computer equipment.

Service delivery measures: Provision of Buildings, Structures and Equipment

The department has provided several service delivery measures for Programme 3, which are a mix of sectoral and non-sectoral measures, reflected in Table 14.19. The department reviewed its service delivery measures for 2018/19, and hence a new target is included, indicated by "New" in the 2017/18 column. Most of the indicators have no targets for 2019/20 and 2020/21 because they relate to annual programmes.

Table 14.19 : Service delivery measures: Provision of Buildings, Structures and Equipment

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2017/18	2018/19	2019/20	2020/21	
1. Effectively manage the operation of facilities in terms of GIAMA	• No. of condition assessment conducted on state owned buildings	460 (450 schools, 10 hospitals)	194	337 (clinics)	-	
2. Effective planning and implementation of infrastructure plans	• No. of infrastructure designs ready for tender	09	16	-	-	
3. Timeous completion of capital and maintenance projects	• No. of capital infrastructure projects completed within agreed time period	17	9	-	-	
	• No. of capital infrastructure projects completed within agreed budget	17	10	-	-	
	• No. of planned maintenance projects completed within agreed contract period	4	7	-	-	
	• No. of planned maintenance projects completed within agreed budget	22	7	-	-	
	• No. of planned maintenance projects awarded	3	9	-	-	
	• No. of EPWP work opportunities created	6 000	6 000	-	-	
4. Creation of work opportunities	• No. of FTEs created	600	600	-	-	
5. Creation of FTEs	• No. of public bodies reporting on EPWP targets within the province	68	66	-	-	
6. Effective co-ordination of EPWP	• No. of work opportunities reported in the EPWP – reporting system by public bodies aligned to the approved EPWP Phase II business plan	New	191 423	-	-	
	• No. of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the province	3	4	-	-	
7. Effective empowerment of EPWP beneficiaries	• No. of beneficiary empowerment interventions	3	3	-	-	

9. Other programme information

9.1 Personnel numbers and costs

Table 14.20 illustrates the detail of the department's approved establishment and personnel numbers. The table also gives a breakdown of employee dispensation classification.

Table 14.20 : Summary of personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers nos ¹	Costs	Filled posts	Addit. posts	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
R thousands																			
Salary level																			
1 – 6	1 197	185 756	1 146	221 442	1 038	204 461	970	-	970	200 636	987	231 052	987	246 285	987	265 735	0.6%	9.8%	34.1%
7 – 10	522	182 691	512	212 918	534	214 141	501	-	501	245 697	559	268 113	559	288 377	568	315 094	4.3%	8.6%	40.6%
11 – 12	139	93 079	157	64 383	151	109 516	111	-	111	91 327	115	100 866	115	108 229	115	118 087	1.2%	8.9%	15.2%
13 – 16	28	44 349	29	36 986	31	33 240	28	-	28	31 526	28	36 102	28	39 061	28	41 367	0.0%	9.5%	5.4%
Other	-	-	8	1 624	6	22 015	85	-	85	28 982	62	30 813	62	33 155	62	36 345	(10.0%)	7.8%	4.7%
Total	1 886	505 875	1 852	537 353	1 760	583 373	1 695	-	1 695	598 168	1 751	666 946	1 751	715 107	1 760	776 628	1.3%	9.1%	100.0%
Programme																			
1. Administration	917	235 025	917	254 491	894	272 618	874	-	874	282 722	874	306 398	874	332 152	883	364 115	0.3%	8.8%	46.8%
2. Property Management	124	43 583	112	45 647	122	49 106	119	-	119	51 359	121	56 684	121	60 115	121	64 613	0.6%	8.0%	8.4%
3. Prov. of Buildings, Structures & Equip.	845	227 267	823	237 215	744	261 649	702	-	702	264 087	756	303 864	756	322 840	756	347 900	2.5%	9.6%	44.7%
Total	1 886	505 875	1 852	537 353	1 760	583 373	1 695	-	1 695	598 168	1 751	666 946	1 751	715 107	1 760	776 628	1.3%	9.1%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	1 836	479 336	1 802	508 816	1 710	546 103	1 598	-	1 598	540 097	1 654	604 114	1 654	647 185	1 663	701 823	1.3%	9.1%	90.4%
Legal prof.	7	2 687	7	2 889	7	3 511	7	-	7	3 090	7	3 343	7	3 614	7	3 980	0.0%	8.8%	0.5%
Engineering prof. and related occupations	43	23 852	43	25 648	43	33 759	90	-	90	54 981	90	59 489	90	64 308	90	70 825	0.0%	8.8%	9.1%
Total	1 886	505 875	1 852	537 353	1 760	583 373	1 695	-	1 695	598 168	1 751	666 946	1 751	715 107	1 760	776 628	1.3%	9.1%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The decline from 2014/15 to 2017/18 can be ascribed to delays in the filling of vacant critical posts, as well as the moratorium on the filling of non-critical posts. The department anticipates to fill 56 vacant OSD posts, such as Engineers, Quantity Surveyors and other critical vacant posts are anticipated to be filled in 2018/19. The department has planned to fill 54 OSD professional posts in Programme 3 related to improving infrastructure support, and 2 posts in Programme 2. This explains the increase over the MTEF.

9.2 Training

Table 14.21 gives a summary of departmental spending and information on training per programme over the seven-year period. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. As the percentage spent on training exceeds three per cent of the department's baseline, this requirement is fully achieved.

Table 14.21 : Information on training: Public Works

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
R thousand									
Number of staff	1 886	1 852	1 760	1 695	1 695	1 695	1 751	1 751	1 760
Number of personnel trained	1 422	1 118	1 161	954	954	954	1 279	1 279	1 279
of which									
Male	713	614	447	516	516	516	650	650	650
Female	709	504	714	438	438	438	629	629	629
Number of training opportunities	79	41	34	74	74	74	55	55	55
of which									
Tertiary	20	14	15	15	15	15	20	20	20
Workshops	20	23	11	32	32	32	15	15	15
Seminars	6	2	3	17	17	17	10	10	10
Other	33	2	5	10	10	10	10	10	10
Number of bursaries offered	20	22	17	39	69	69	53	53	53
Number of interns appointed	59	30	83	-	37	37	42	42	42
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	1 441	819	2 431	560	560	560	1 500	1 500	1 500
Payments on training by programme									
1. Administration	1 501	5 490	4 711	6 414	9 330	8 178	6 577	6 565	6 765
2. Property Management	190	43	336	537	429	329	562	565	596
3. Provision Of Buildings, Structures And Equipment	1 244	1 664	293	2 766	2 766	2 345	2 912	3 079	3 248
Total payments on training	2 935	7 197	5 340	9 717	12 525	10 852	10 051	10 209	10 609

The fluctuating trend from 2014/15 to 2016/17 was due to training and staff development costs. The spike in 2015/16 was due to the decentralisation of the external bursaries budget from OTP to the department. The budget over the 2018/19 MTEF increases at an inflationary rate. Training includes short courses for in-house staff, as well as internships in the various programmes. The table excludes the EPWP Integrated Grant for Provinces budget, hence the budget for Programme 3 is lower than the training and development figures in Table 14.E for Programme 3. It is also noted that the budget for Programme 1 includes the budget for external bursaries, hence it is higher than the training and development budget in Table 14.C.

ANNEXURE – VOTE 14: PUBLIC WORKS

Table 14.A : Details of departmental receipts: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	5 662	8 433	9 079	8 294	8 294	8 294	9 261	9 626	10 004
Sale of goods and services produced by department (excluding capital assets)	5 651	8 426	8 921	8 292	8 292	8 287	9 258	9 623	10 001
Sales by market establishments	4 285	6 278	5 593	5 414	5 414	5 414	5 991	6 322	6 700
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	1 366	2 148	3 328	2 878	2 878	2 873	3 267	3 301	3 301
Of which									
Commission	516	517	522	612	612	612	673	674	674
Tender documents	835	1 617	2 792	2 250	2 250	2 246	2 579	2 612	2 612
Replacement of security card	3	2	2	2	2	1	2	2	2
Transport fees	12	12	12	14	14	14	13	13	13
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	11	7	158	2	2	7	3	3	3
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	155	378	1 874	285	285	1 511	302	318	320
Interest	32	110	1 587	64	64	964	42	48	50
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	123	268	287	221	221	547	260	270	270
Sales of capital assets	12 103	2 697	3 781	4 520	4 520	4 547	1 215	1 930	2 211
Land and sub-soil assets	-	-	867	-	-	27	-	-	-
Other capital assets	12 103	2 697	2 914	4 520	4 520	4 520	1 215	1 930	2 211
Transactions in financial assets and liabilities	1 566	1 488	1 381	910	910	910	862	903	944
Total	19 486	12 996	16 115	14 009	14 009	15 262	11 640	12 777	13 479

Table 14.B : Payments and estimates by economic classification: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Current payments	740 445	778 916	825 838	869 903	871 698	851 883	922 348	972 268	1 052 282
Compensation of employees	505 875	537 353	583 373	623 058	615 734	598 168	666 946	715 107	776 628
Salaries and wages	434 362	458 954	500 215	534 619	526 825	512 691	573 371	615 945	671 179
Social contributions	71 513	78 399	83 158	88 439	88 909	85 477	93 575	99 162	105 449
Goods and services	234 569	241 563	242 462	246 845	255 963	253 714	255 402	257 161	275 654
Administrative fees	657	1 016	1 062	823	1 568	1 337	1 004	1 108	1 143
Advertising	6 786	9 455	8 283	6 195	6 278	6 151	6 228	6 184	6 390
Minor assets	1 745	1 120	507	581	1 685	1 998	971	255	267
Audit cost: External	7 395	7 088	6 295	4 472	7 602	7 602	4 727	4 983	5 257
Bursaries: Employees	409	390	237	300	838	810	300	320	320
Catering: Departmental activities	967	983	1 376	930	930	549	411	424	442
Communication (G&S)	10 276	10 481	10 801	9 972	9 485	9 043	10 257	10 695	11 120
Computer services	33 718	22 738	21 079	22 922	27 865	28 095	28 375	29 884	31 168
Cons & prof serv: Business and advisory services	302	382	586	269	32 177	32 154	34 131	36 032	38 109
Infrastructure and planning	107	-	16	240	240	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	894	1 073	2 150	1 666	1 666	1 244	1 713	1 730	1 771
Contractors	11 830	8 849	20 621	16 675	2 086	1 696	17 043	17 978	26 343
Agency and support / outsourced services	27 093	63 428	50 680	56 631	20 846	20 317	21 504	21 375	22 153
Entertainment	349	197	157	30	30	47	124	126	134
Fleet services (including govt. motor transport)	11 773	9 403	11 946	11 833	12 308	13 253	12 802	13 240	13 817
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	3 044	3 544	4 223	4 876	4 876	4 854	5 319	5 305	5 523
Consumable: Stationery, printing and office supplies	3 105	3 432	3 874	5 020	4 858	3 996	5 134	5 016	5 272
Operating leases	3 349	3 474	3 813	4 537	4 543	4 219	4 670	4 807	5 070
Property payments	59 129	61 775	61 873	66 085	86 384	88 805	70 777	72 849	75 482
Transport provided: Departmental activity	278	507	607	-	-	48	-	-	-
Travel and subsistence	13 525	13 676	11 976	15 369	14 521	13 540	15 235	15 728	16 286
Training and development	29 795	9 580	15 471	14 173	12 943	11 836	12 641	6 835	7 211
Operating payments	1 939	2 869	2 003	1 678	1 744	1 702	1 725	1 749	1 828
Venues and facilities	-	-	53	348	321	2	179	398	400
Rental and hiring	6 104	6 103	2 773	1 220	169	416	132	140	148
Interest and rent on land	1	-	3	-	1	1	-	-	-
Interest	1	-	3	-	1	1	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	524 694	534 777	563 612	567 573	602 928	633 534	599 828	634 223	669 409
Provinces and municipalities	512 835	524 828	553 579	562 119	592 119	621 447	594 712	629 201	663 675
Provinces	325	285	285	246	246	270	257	268	151
Provincial Revenue Funds	325	285	285	246	-	-	257	268	151
Provincial agencies and funds	-	-	-	-	246	270	-	-	-
Municipalities	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Municipalities	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	460	480	396	490	490	447	488	530	560
Social security funds	6	-	-	75	75	32	73	100	106
Entities receiving transfers	454	480	396	415	415	415	415	430	454
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	874	34	88	-	100	95	-	-	-
Households	10 525	9 435	9 549	4 964	10 219	11 545	4 628	4 492	5 174
Social benefits	10 195	6 645	6 866	2 378	4 133	6 296	1 910	1 868	2 550
Other transfers to households	330	2 790	2 683	2 586	6 086	5 249	2 718	2 624	2 624
Payments for capital assets	122 920	91 484	54 284	69 475	68 191	57 400	65 756	74 743	67 051
Buildings and other fixed structures	98 248	73 207	32 872	52 453	45 333	34 833	46 049	54 466	47 266
Buildings	98 248	73 207	32 872	52 453	45 333	34 833	46 049	54 466	47 266
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	20 211	12 399	13 114	13 022	18 858	17 351	15 707	16 277	15 462
Transport equipment	8 531	4 494	4 636	6 200	5 820	5 350	6 871	6 910	6 983
Other machinery and equipment	11 680	7 905	8 478	6 822	13 038	12 001	8 836	9 367	8 479
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 461	5 878	8 298	4 000	4 000	5 216	4 000	4 000	4 323
Payments for financial assets	23	1 070	10 431	-	-	-	-	-	-
Total	1 388 082	1 406 247	1 454 165	1 506 951	1 542 817	1 542 817	1 587 932	1 681 234	1 788 742

Table 14.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	301 177	329 527	344 810	362 451	359 646	357 775	384 678	412 638	447 637
Compensation of employees	235 025	254 491	272 618	286 820	285 452	282 722	306 398	332 152	364 115
Salaries and wages	199 508	214 595	229 902	242 664	240 826	238 157	259 567	282 255	310 689
Social contributions	35 517	39 896	42 716	44 156	44 626	44 565	46 831	49 897	53 426
Goods and services	66 152	75 036	72 189	75 631	74 193	75 052	78 280	80 486	83 522
Administrative fees	130	234	380	123	174	185	127	148	143
Advertising	4 582	4 837	2 827	3 797	3 880	3 413	3 694	3 713	3 805
Minor assets	296	963	307	192	1 296	1 784	221	69	73
Audit cost: External	7 395	7 088	6 295	4 472	7 602	7 602	4 727	4 983	5 257
Bursaries: Employees	409	390	237	300	838	810	300	320	320
Catering: Departmental activities	807	679	1 100	240	240	417	191	194	199
Communication (G&S)	9 378	9 197	9 551	8 048	7 786	8 064	8 169	8 514	9 098
Computer services	14 191	20 716	19 077	19 373	20 373	20 630	20 463	21 375	22 158
Cons & prof serv: Business and advisory services	123	140	25	40	40	54	30	30	33
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	689	708	1 348	1 049	1 049	1 065	1 063	1 080	1 085
Contractors	1 274	1 591	2 088	1 637	1 637	1 459	1 650	1 717	1 759
Agency and support / outsourced services	692	3 428	2 558	6 473	969	924	6 796	6 980	7 010
Entertainment	314	148	113	30	30	47	124	126	134
Fleet services (including govt. motor transport)	8 394	6 334	8 327	8 810	8 877	9 423	9 364	9 664	10 057
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	919	1 203	1 414	1 257	1 257	1 805	1 349	1 335	1 396
Consumable: Stationery, printing and office supplies	2 573	2 943	3 258	4 050	3 888	3 216	4 273	4 164	4 386
Operating leases	2 873	2 836	3 064	3 910	3 862	3 596	3 908	4 064	4 289
Property payments	1 665	1 552	1 736	1 647	1 647	2 117	1 534	1 622	1 674
Transport provided: Departmental activity	252	507	498	-	-	48	-	-	-
Travel and subsistence	5 468	5 130	4 260	5 671	5 319	4 979	5 677	5 709	5 730
Training and development	1 445	1 888	1 652	3 113	1 991	1 771	3 144	3 191	3 367
Operating payments	1 469	2 068	1 567	1 366	1 425	1 367	1 430	1 442	1 501
Venues and facilities	-	-	53	33	6	2	46	46	48
Rental and hiring	814	456	454	-	7	274	-	-	-
Interest and rent on land	-	-	3	-	1	1	-	-	-
Interest	-	-	3	-	1	1	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 858	6 731	5 894	4 235	8 060	8 835	4 164	4 032	3 894
Provinces and municipalities	325	285	285	246	246	270	257	268	151
Provinces	325	285	285	246	246	270	257	268	151
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	325	285	285	246	246	270	257	268	151
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	456	480	396	457	457	442	459	469	497
Social security funds	2	-	-	42	42	27	44	39	43
Entities receiving transfers	454	480	396	415	415	415	415	430	454
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	874	34	88	-	100	95	-	-	-
Households	4 203	5 932	5 125	3 532	7 257	8 028	3 448	3 295	3 246
Social benefits	4 203	3 144	2 640	946	1 171	2 779	730	671	622
Other transfers to households	-	2 788	2 485	2 586	6 086	5 249	2 718	2 624	2 624
Payments for capital assets	23 629	17 431	20 109	15 998	21 834	21 768	17 946	19 008	19 173
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	19 168	11 553	11 811	11 998	17 834	16 552	13 946	15 008	14 850
Transport equipment	8 531	4 494	4 636	6 200	5 820	5 350	6 871	6 910	6 983
Other machinery and equipment	10 637	7 059	7 175	5 798	12 014	11 202	7 075	8 098	7 867
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 461	5 878	8 298	4 000	4 000	5 216	4 000	4 000	4 323
Payments for financial assets	-	-	46	-	-	-	-	-	-
Total	330 664	353 689	370 859	382 684	389 540	388 378	406 788	435 678	470 704

Table 14.D : Payments and estimates by economic classification: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	101 615	112 416	107 623	116 363	83 351	80 056	88 820	93 795	100 046
Compensation of employees	43 583	45 647	49 106	52 650	52 566	51 359	56 684	60 115	64 613
Salaries and wages	37 758	38 948	41 916	44 849	44 765	43 808	48 471	51 488	56 070
Social contributions	5 825	6 699	7 190	7 801	7 801	7 551	8 213	8 627	8 543
Goods and services	58 032	66 769	58 517	63 713	30 785	28 697	32 136	33 680	35 433
Administrative fees	518	765	654	690	1 296	995	866	948	987
Advertising	232	150	403	290	290	340	307	313	325
Minor assets	21	27	4	55	55	19	57	30	32
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	3	20	42	19	19	20	20	20	21
Communication (G&S)	265	221	213	485	297	262	503	539	387
Computer services	16 435	-	182	250	4 193	4 166	4 422	4 669	4 926
Cons & prof serv: Business and advisory services	171	242	561	229	229	192	342	284	394
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	205	365	780	617	617	179	650	650	686
Contractors	11	11	501	-	-	-	-	-	-
Agency and support / outsourced services	15 366	44 698	36 864	38 556	2 409	3 284	2 459	2 532	2 671
Entertainment	10	25	22	-	-	-	-	-	-
Fleet services (including govt. motor transport)	32	23	31	94	94	74	105	117	126
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	207	342	288	571	571	468	658	668	704
Consumable: Stationery, printing and office supplies	16	41	14	40	40	19	45	39	40
Operating leases	82	266	183	163	224	145	188	200	212
Property payments	17 542	11 994	13 603	18 028	18 028	16 312	18 926	20 025	21 128
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 617	1 740	1 641	1 924	1 924	1 835	1 984	2 039	2 154
Training and development	192	43	336	537	429	329	562	565	596
Operating payments	98	187	80	70	70	58	42	42	44
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	5 009	5 609	2 115	1 095	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	512 586	524 578	553 398	561 908	591 992	621 339	594 536	628 968	663 559
Provinces and municipalities	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Municipalities	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Social security funds	-	-	-	5	5	5	5	5	5
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	76	35	104	30	114	157	76	30	30
Social benefits	76	35	104	30	114	157	76	30	30
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	90	52	44	220	220	80	237	50	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	90	52	44	220	220	80	237	50	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	90	52	44	220	220	80	237	50	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	491	-	-	-	-	-	-
Total	614 291	637 046	661 556	678 491	675 563	701 475	683 593	722 813	763 605

Table 14.E : Payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Current payments	337 653	336 973	373 405	391 089	428 701	414 052	448 850	465 835	504 599
Compensation of employees	227 267	237 215	261 649	283 588	277 716	264 087	303 864	322 840	347 900
Salaries and wages	197 096	205 411	228 397	247 106	241 234	230 726	265 333	282 202	304 420
Social contributions	30 171	31 804	33 252	36 482	36 482	33 361	38 531	40 638	43 480
Goods and services	110 385	99 758	111 756	107 501	150 985	149 965	144 986	142 995	156 699
Administrative fees	9	17	28	10	98	157	11	12	13
Advertising	1 972	4 468	5 053	2 108	2 108	2 398	2 227	2 158	2 260
Minor assets	1 428	130	196	334	334	195	693	156	162
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	157	284	234	671	671	112	200	210	222
Communication (G&S)	633	1 063	1 037	1 439	1 402	717	1 585	1 642	1 635
Computer services	3 092	2 022	1 820	3 299	3 299	3 299	3 490	3 840	4 084
Cons & prof serv: Business and advisory services	8	-	-	-	31 908	31 908	33 759	35 718	37 682
Infrastructure and planning	107	-	16	240	240	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	22	-	-	-	-	-	-
Contractors	10 545	7 247	18 032	15 038	449	237	15 393	16 261	24 584
Agency and support / outsourced services	11 035	15 302	11 258	11 602	17 468	16 109	12 249	11 863	12 472
Entertainment	25	24	22	-	-	-	-	-	-
Fleet services (including govt. motor transport)	3 347	3 046	3 588	2 929	3 337	3 756	3 333	3 459	3 634
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 918	1 999	2 521	3 048	3 048	2 581	3 312	3 302	3 423
Consumable: Stationery, printing and office supplies	516	448	602	930	930	761	816	813	846
Operating leases	394	372	566	464	457	478	574	543	569
Property payments	39 922	48 229	46 534	46 410	66 709	70 376	50 317	51 202	52 680
Transport provided: Departmental activity	26	-	109	-	-	-	-	-	-
Travel and subsistence	6 440	6 806	6 075	7 774	7 278	6 726	7 574	7 980	8 402
Training and development	28 158	7 649	13 483	10 523	10 523	9 736	8 935	3 079	3 248
Operating payments	372	614	356	242	249	277	253	265	283
Venues and facilities	-	-	-	315	315	-	133	352	352
Rental and hiring	281	38	204	125	162	142	132	140	148
Interest and rent on land	1	-	-	-	-	-	-	-	-
Interest	1	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6 250	3 468	4 320	1 430	2 876	3 360	1 128	1 223	1 956
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4	-	-	28	28	-	24	56	58
Social security funds	4	-	-	28	28	-	24	56	58
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 246	3 468	4 320	1 402	2 848	3 360	1 104	1 167	1 898
Social benefits	5 916	3 466	4 122	1 402	2 848	3 360	1 104	1 167	1 898
Other transfers to households	330	2	198	-	-	-	-	-	-
Payments for capital assets	99 201	74 001	34 131	53 257	46 137	35 552	47 573	55 685	47 878
Buildings and other fixed structures	98 248	73 207	32 872	52 453	45 333	34 833	46 049	54 466	47 266
Buildings	98 248	73 207	32 872	52 453	45 333	34 833	46 049	54 466	47 266
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	953	794	1 259	804	804	719	1 524	1 219	612
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	953	794	1 259	804	804	719	1 524	1 219	612
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	23	1 070	9 894	-	-	-	-	-	-
Total	443 127	415 512	421 750	445 776	477 714	452 964	497 551	522 743	554 433

Table 14.F : Payments and estimates by economic classification: Conditional grant (Programme 2: Property Management)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 168	3 057	4 471	6 588	6 588	6 588	6 023	-	-

Table 14.G : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	235 715	250 408	254 328	249 018	279 018	280 582	263 458	278 739	294 070
Total: Ugu Municipalities	13 318	13 151	11 129	16 061	16 061	20 731	16 993	17 979	18 968
B KZN212 uMdoni	3 763	4 321	2 504	3 215	3 215	1 853	3 401	3 598	3 796
B KZN213 uMzumbane	3 232	2 486	1 955	3 895	3 895	1 778	4 121	4 360	4 600
B KZN214 uMziwabantu	2 713	2 853	3 065	4 789	4 789	5 905	5 067	5 361	5 656
B KZN216 Ray Nkonyeni	3 610	3 491	3 605	4 162	4 162	11 195	4 404	4 660	4 916
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	73 948	77 301	69 176	91 606	91 606	76 056	96 918	102 540	108 180
B KZN221 uMshwathi	8 344	6 018	6 114	18 746	18 746	9 063	19 833	20 983	22 137
B KZN222 uMngeni	7 060	2 263	2 657	8 103	8 103	951	8 573	9 070	9 569
B KZN223 Mpofana	99	583	458	109	109	356	115	122	129
B KZN224 iMpindle	815	703	749	289	289	903	306	324	342
B KZN225 Msunduzi	57 196	66 854	58 282	63 646	63 646	63 646	67 337	71 243	75 161
B KZN226 Mkhambathini	-	429	455	655	655	535	693	733	773
B KZN227 Richmond	434	451	461	58	58	602	61	65	69
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	36 877	36 914	34 059	43 180	43 180	45 442	45 684	48 333	50 991
B KZN235 Okhahlamba	1 779	1 661	-	5 557	5 557	2 193	5 879	6 220	6 562
B KZN237 iNkosi Langalibalele	15 081	14 672	12 367	17 986	17 986	19 082	19 029	20 132	21 239
B KZN238 Alfred Duma	20 017	20 581	21 692	19 637	19 637	24 167	20 776	21 981	23 190
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	25 675	20 992	28 552	28 773	28 773	34 923	30 441	32 206	33 977
B KZN241 eNdumeni	7 634	6 748	8 387	8 660	8 660	11 862	9 162	9 693	10 226
B KZN242 Nquthu	8 539	7 985	9 205	9 334	9 334	8 203	9 875	10 448	11 023
B KZN244 uMsinga	4 476	1 082	5 734	4 858	4 858	8 670	5 140	5 438	5 737
B KZN245 uMvoti	5 026	5 177	5 226	5 921	5 921	6 188	6 264	6 627	6 991
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	10 897	12 583	11 723	11 780	11 780	13 324	12 464	13 186	13 911
B KZN252 Newcastle	4 631	4 892	3 546	4 516	4 516	4 109	4 778	5 055	5 333
B KZN253 eMadlangeni	2 473	1 941	2 005	2 840	2 840	2 149	3 005	3 179	3 354
B KZN254 Dannhauser	3 793	5 750	6 172	4 424	4 424	7 066	4 681	4 952	5 224
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	47 688	39 365	51 826	41 519	41 519	47 075	43 928	46 476	49 032
B KZN261 eDumbe	1 471	2 248	7 047	3 277	3 277	5 412	3 467	3 668	3 870
B KZN262 uPhongolo	4 618	2 901	3 272	3 499	3 499	3 679	3 702	3 917	4 132
B KZN263 AbaQulusi	6 993	7 260	8 467	6 946	6 946	8 300	7 349	7 775	8 203
B KZN265 Nongoma	5 859	6 507	7 775	5 788	5 788	7 674	6 124	6 479	6 835
B KZN266 Ulundi	28 747	20 449	25 265	22 009	22 009	22 010	23 286	24 637	25 992
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	21 835	19 267	23 051	24 980	24 980	26 244	26 429	27 961	29 498
B KZN271 uMhlabyalingana	10 731	8 156	10 062	11 325	11 325	11 325	11 982	12 677	13 374
B KZN272 Jozini	6 299	7 328	8 999	5 790	5 790	5 790	6 126	6 481	6 837
B KZN275 Mtubatuba	2 606	1 462	3 990	2 403	2 403	3 529	2 542	2 689	2 837
B KZN276 Big Five Hlabisa	2 199	2 321	-	5 462	5 462	5 600	5 779	6 114	6 450
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	24 986	28 740	33 230	25 819	25 819	35 276	27 316	28 902	30 491
B KZN281 uMfolozi	220	94	166	541	541	2 675	572	605	638
B KZN282 uMhlathuze	11 388	14 938	14 321	12 684	12 684	14 302	13 420	14 199	14 980
B KZN284 uMlalazi	4 389	3 235	4 586	3 496	3 496	7 181	3 699	3 914	4 129
B KZN285 Mthonjaneni	2 126	-	399	2 731	2 731	500	2 889	3 057	3 225
B KZN286 Nkandla	6 863	10 473	13 758	6 367	6 367	10 618	6 736	7 127	7 519
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	6 041	11 531	20 516	16 598	16 598	23 245	17 561	18 579	19 601
B KZN291 Mandeni	1 988	273	181	787	787	1 791	833	881	929
B KZN292 KwaDukuza	1 030	3 405	11 146	5 748	5 748	7 594	6 081	6 434	6 788
B KZN293 Ndwedwe	1 879	422	4 674	1 407	1 407	5 080	1 489	1 575	1 662
B KZN294 Maphumulo	1 144	7 431	4 515	8 656	8 656	8 780	9 158	9 689	10 222
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	15 506	14 274	15 692	12 479	12 479	18 283	13 203	13 969	14 739
B KZN433 Greater Kokstad	7 284	7 129	8 460	849	849	8 680	898	950	1 002
B KZN434 uBuhlebezwe	2 931	2 976	2 204	4 158	4 158	4 909	4 399	4 654	4 910
B KZN435 uMzimkhulu	4 470	3 003	3 243	4 285	4 285	2 761	4 534	4 797	5 063
B KZN436 Dr Nkosazana Dlamini Zuma	821	1 166	1 785	3 187	3 187	1 933	3 372	3 568	3 764
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	24	17	12	60	60	(4)	60	63	66
Total	512 510	524 543	553 294	561 873	591 873	621 177	594 455	628 933	663 524

VOTE 15

Arts and Culture

Operational budget	R960 593 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R962 571 000
Responsible MEC	MEC for Arts, Culture, Sport and Recreation
Administering department	Arts and Culture
Accounting officer	Head: Arts and Culture

1. Overview

Vision

The vision of the department is: *Prosperity and social cohesion through arts, culture and heritage.*

Mission statement

The department's mission is: *To provide integrated arts and culture services for the people of KZN by developing and promoting arts and culture in the province and mainstreaming its role in socio-economic development.*

Strategic objectives

Strategic policy direction:

The department's strategic objectives are as follows:

- Ensuring an effective policy and internal control environment.
- Advance stakeholder engagements and forge partnerships in support of the department's mandate.
- Interventions that grow the arts, culture and heritage industry in KZN contributing to job creation and poverty alleviation.
- Advance the 2063 Africa agenda to achieve a socially cohesive society.
- Promote multilingualism and redress past linguistic imbalances.
- Contribute to quality of education in the arts, culture and heritage sector.
- Provision of museum services to drive the transformation agenda.
- Provision of library and information services that are free, equitable and accessible.
- Provision of archival and records management services for records of national and provincial significance.

Core functions

The core functions of the department encompass the development and promotion of arts, culture, museum, archive and library services.

Legislative mandates

The department is governed by the following pieces of legislation and policy directives:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)

- Culture Promotion Act 1993 (Act No. 35 of 1993)
- Cultural Affairs Act 1989 (Act No. 65 of 1989)
- Cultural Institutions Act 1998 (Act No. 119 of 1998)
- South African Geographical Names Council Act 1998 (Act No. 118 of 1998)
- National Language Policy Framework, 2003
- Pan South African Language Board Act 1995 (Act No. 59 of 1995)
- KwaZulu-Natal Parliamentary Official Languages Act 1998 (Act No. 10 of 1998)
- KwaZulu-Natal Libraries Act 1980 (Act No. 18 of 1980)
- Public Service Act 1994 (Act No. 103 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act 1995 (Act No. 66 of 1995)
- Employment Equity Act 1998 (Act No. 55 of 1998)
- Public Finance Management Act 1999 (Act No. 1 of 1999, as amended), and Treasury Regulations
- KZN Provincial Supply Chain Management Policy Framework of 2006
- Preferential Procurement Policy Framework Act 2000 (Act No. 5 of 2000)
- Intergovernmental Relations Framework Act 2005 (Act No. 13 of 2005)
- Natal Provincial Museum Ordinance (Ordinance 26 of 1973)
- KwaZulu-Natal Archives and Records Services Act 2011 (Act No. 8 of 2011)
- Annual Division of Revenue Act

The department is still in the process of finalising the KZN Provincial Languages Bill before handing it over to the Provincial Executive Council. In the interim, the department is proceeding with certain requirements proposed by the Bill.

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Arts and culture

The department established strategic partnerships and strengthened relationships with relevant stakeholders in order to improve the development and growth of the arts, culture and heritage industries. The department placed emphasis on programmes aimed at promoting moral regeneration through the war-room intervention package in order to achieve social cohesion. The Arts in Schools programme focused on enabling exposure to the arts and culture sectors throughout the education system by the identification and development of talent, the influencing of greater choices in career-pathing and encouraging the development and appreciation for the arts through a rigorous audience development programme. The construction of the Arts and Culture Academy project will no longer take place and the funds will be used for the refurbishment of the Winston Churchill Theatre in Pietermaritzburg, and the development of the Ladysmith Black Mambazo Music Academy in the Alfred Duma Municipality, which is a project to be jointly undertaken with the EDTEA. Most of the funds re-allocated in 2018/19 were requested to be re-scheduled to 2018/19 for these projects. The department developed the first draft Arts, Culture and Heritage Strategy, which provides a framework and essential elements for creating an enabling environment for the implementation of key programmes to advance the sector. A range of events and campaigns aimed at promoting and developing performing arts and visual arts and crafts were hosted, including the provincial choral competition, anti-music piracy campaign, and the cultural exchange programme.

Language services

A total of 50 geographical place names were reviewed in terms of the KZN Provincial Geographical Names Policy/Framework. Language policies have been developed for 11 government institutions and the

KZN Provincial Language Policy was rolled out to 17 government institutions. Furthermore, a draft strategy on the development of indigenous languages was developed. A total of 68 functional reading and writing clubs were established, aimed at literature development and promotion. A literature exhibition was held with prizes being awarded to six winners in the Children's Book Competition and three winners in the Novel Writing Competition. The department hosted a two-day symposium in support of International Translation Day, promoting multi-linguism. The department commenced with sign language training for parliamentary officials. The promulgation of the KZN Provincial Languages Bill did not take place.

Museum services

Mobile museum services were well received by communities including mobile services for the blind. Awareness and outreach programmes were undertaken at schools resulting in an enhanced interest in the heritage of KZN and stimulating the sector as a career option. The department established a heritage preservation initiative portal and undertook in-house digitisation of artefacts. The Maritime museum in Port Shepstone was completed, and the Gerhard Bhengu and Mooi River museums were refurbished.

Library services

The department continued to develop new libraries to increase access to library and information services. The focus was also on physical maintenance and refurbishment of existing libraries making them more attractive spaces conducive for recreational and educational use. The department continued to install ICT in libraries which resulted in improved access to information. The development and implementation of innovative projects was undertaken to enhance the relevance and attraction of libraries, particularly to scholars and the youth (early childhood development, gaming, eBooks, education support, story-telling, services for the blind, e-learning kiosks and web access). The department promoted reading through mobile libraries and related projects ensuring expanded accessibility in rural and disadvantaged areas.

Community library services grant

The department completed the construction of the Bruntville, Maphumulo and Port Shepstone libraries, as well as nine modular libraries. The department also undertook minor renovations to various libraries, refurbishing, equipping, procurement of e-learning kiosks, the establishment of toy libraries within 13 existing libraries, including modular libraries, as well as the installation of Radio Frequency Identification (RFID) gates in libraries.

Archives

The funds for the new Archive Repository were re-scheduled over the 2018/19 MTEF at the request of the department, with only R3 million remaining in the 2017/18 budget for the feasibility study due to the department requesting for the re-scheduling of these funds in line with project requirements. The department completed the feasibility study for the new Archive Repository. The balance of the reduction of R17.881 million relating to the Archive Repository was allocated back to the department in the 2018/19 MTEF. The department established an Oral History, Preservation and Conservation unit whose purpose is to preserve history and heritage and ensure that the archive holds the history of a more representative sample of our population. The department continued to implement the digitisation of records. In addition, the department supported various nation building projects by way of document boxes, flags and promotional material.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at the challenges and proposed new developments. In 2018/19, the department will continue to uphold its core mandate of ensuring cultural advance of all people in the province through hosting various cultural events and provision of reading and writing material. The department also provides for the provincialisation of libraries, as well as the construction of new libraries to increase the reach across the province.

Arts and culture

The department will continue to facilitate inter-cultural and inter-generational dialogues within communities to explore and document the cultural context surrounding the practice of traditional

knowledge so as to promote cultural values, cultural identity and a common heritage. The programmes developed will include cultural aspects that will improve understanding and knowledge of African affairs. This will culminate in a Cultural and Indigenous Knowledge Conference to be held in 2018/19 where issues of preservation of indigenous cultural practices will be shared. A draft provincial Indigenous Knowledge Strategy was developed, which will form a framework for discussion of topics during the conference, including how to implement good practices in both managing and preserving heritage inter-generational dialogues and community conversations in various communities covering topics such as respect and the cultural significance of practices, such as *ukuthwala*. The department will establish a working relationship with Indoni SA on a variety of cultural programmes. In addition, the establishment of the Ladysmith Black Mambazo Music Academy in Ladysmith will commence and the renovations to the Winston Churchill Theatre will be finalised.

Language services

The department will prioritise the implementation of the KZN Provincial Languages Bill and accelerate the roll-out of the geographic names programme. The reading and writing clubs in respect of both the war-room packages and moral regeneration (correctional centres) will continue. In addition, the department will prioritise the promotion and development of literature and terminology. The International Mother Tongue and Translation Day Celebrations will be key events. The department will continue with the “Learn Another Language” campaign, through sign language training, and will continue to standardise terminology to promote isiZulu in the province. The department will invite government departments and statutory bodies to make full use of its translation, interpreting and editing services offered at no cost, with regard to the official languages of the province, such as isiZulu, isiXhosa, English and Afrikaans. As part of the department’s mandate, short courses for non-mother tongue speakers in isiZulu and Sesotho will form part of the department’s “Learn Another Language” campaign. In collaboration with the Department of Education (DOE) and tertiary institutions, a pilot project to translate school text books into isiZulu will commence. The department will continue to submit geographical names to the SA Geographical Names Council for consideration by the National Minister of Arts and Culture.

Museum services

The digitisation of museum artefacts will be accelerated over the 2018/19 MTEF, with the purchase of further digitisation equipment. This intervention will allow for public access to museum collections *via* the KZN Heritage portal, which is in its final stages of development. In addition, the department will focus on the transformation of existing museums to better portray the diverse cultures of the province. Promotion of a love of history and museums will be rolled out to 70 schools, using mobile museums to support this outreach initiative with a travelling exhibition of artefacts. This includes the provision of services for the blind, with information about artefacts provided by way of Braille plates and computer facilities that are specially adapted for the visually challenged. The department will continue to transfer funds to 40 affiliated museums to assist in the staffing and operational costs of services.

Library services

The bulk of the Library Services budget will be allocated to addressing the exclusive provincial legislative competency pertaining to public libraries. A total of 230 public libraries will receive funding in support of staffing and operational costs. New books will be purchased to add to the available collection of 3.300 million items. These include high quality picture books for small children. The department will also continue to provide magazine subscriptions, audio-visual material and toys in libraries.

Community Library Services grant

The department will complete the Ngwavuma and Bilanyoni libraries in 2018/19 and will continue with the construction of the Dukuduku (Mtubatuba), Ndaleneni (Richmond), KwaDlangezwa (uMhlathuze), Nquthu and Kwamdakane (Dannhauser) libraries. The department will upgrade and maintain existing library facilities. The department will purchase books supporting school curricula and tertiary education modules to satisfy the demand for educational support in public libraries.

Archives

The preservation of archival heritage will take place through the proper care of public records, the centralisation of archives and a continued focus on the oral history programme. The department will

commence with the construction of the Archive Repository in 2018/19, which is anticipated to be completed in 2022/23.

4. Reprioritisation

The department has prioritised the filling of 92 critical vacant posts over the MTEF, such as Chief Financial Officer, Chief Director: Library, Archives and Museum Services, Director: Internal Control and Risk Management, Director: Security Management and Deputy Director: Budget and Accounting Services and Information Technology. The department moved funds from enforced savings under *Good and services* to *Compensation of employees* in order to provide for the filling of these posts. The reprioritisation undertaken is not sufficient for filling these critical vacant posts, however, further reprioritisation will need to be undertaken in-year. In addition, various new transfers were introduced from enforced savings under *Goods and services*, including transfers for the Drakensberg Extravaganza, Ukhozi Nyusi Volume, Newcastle Jazz Festival, Durban Rocks, Youth Own Your Power, Umlalazi Festival Expo, Hazelmere Dam Jazz Festival and Amasiko Omzinyathi.

5. Procurement

In 2018/19, the department will continue to review all its SCM activities in line with Treasury Regulations. The department will also continue to develop and implement procurement plans for procurement exceeding R50 million, and demand management plans for procurement below R50 million as per the revised Preferential Procurement Policy Framework Act 2017.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 15.1 provides the sources of funding for Vote 15 over the seven-year period 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments. Details of departmental receipts are given in *Annexure – Vote 15: Arts and Culture*. The department receives a provincial allocation in the form of equitable share and national conditional grant allocations in respect of the Community Library Services grant and the EPWP Integrated Grant for Provinces.

Table 15.1 : Summary of receipts

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	601 902	619 023	617 810	644 594	644 594	644 594	681 544	724 580	780 459
Conditional grants	122 754	158 969	165 162	175 093	175 093	175 093	176 397	183 917	194 072
Community Library Services grant	122 754	157 569	163 162	173 093	173 093	173 093	174 397	183 917	194 072
EPWP Incentive Grant for Provinces	-	1 400	2 000	2 000	2 000	2 000	2 000	-	-
Total receipts	724 656	777 992	782 972	819 687	819 687	819 687	857 941	908 497	974 531
Total payments	710 027	763 542	793 339	874 068	838 814	838 814	962 571	975 808	1 000 439
Surplus/(Deficit) before financing	14 629	14 450	(10 367)	(54 381)	(19 127)	(19 127)	(104 630)	(67 311)	(25 908)
Financing									
of which									
Provincial roll-overs	-	19 856	22 952	-	14 127	14 127	-	-	-
Provincial cash resources	5 464	10 922	5 500	54 381	5 000	5 000	104 630	67 311	25 908
Surplus/(Deficit) after financing	20 093	45 228	18 085	-	-	-	-	-	-

In 2014/15, the department received additional funding of R5.464 million from provincial cash resources. Of this, R2.302 million was in respect of The Playhouse Company and R3.120 million was in respect of the KZN Philharmonic Orchestra in order to increase their transfers back to their original allocation, both with carry-through. Furthermore, the department's equitable share was increased by R25.008 million as follows:

- R11 million was suspended from the Strategic Cabinet Initiatives Fund. Of this, R1 million was for Amambazo: The Musical, R5 million for the National Choral Music Awards, and R5 million for the Royalty Soapie Awards.

- R2.008 million was suspended from the Department of Sport and Recreation (DOSR) in respect of the balance of the ministry funds that remained with the department after the two ministries were amalgamated in 2009. This was done to ease the administrative burden of having this budget split across two departments.
- R12 million was suspended from the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) for the movement of the KZN Music House to the department as a result of a directive from the Premier.

The department under-spent by R20.093 million in 2014/15, mainly as a result of challenges with the construction and upgrade of various libraries such as Ngwavuma, Bruntville, Bilanyoni and Manyiseni.

- The department received a roll-over of R19.856 million in 2015/16, as follows:
 - R500 000 for the Royalty Soapie Awards.
 - R5.157 million for the refurbishment of the Pinetown and Dundee library depots.
 - R14.199 million for the Community Library Services grant relating to the above-mentioned challenges with the construction and upgrade of various libraries.
- The increase was offset by a decrease of R727 000 against both conditional grants. National Treasury implemented Section 22(4) of the DORA and removed R127 000 from the Community Library Services grant and R600 000 from the EPWP Integrated Grant for Provinces allocations. These amounts related to funds that were unspent in 2014/15. However, Provincial Treasury allocated back to the department a total of R727 000 from equitable share to ensure that these grants were not compromised because of the reduction. This was therefore treated as an equitable share allocation which had to be spent on activities related to the grant.
- The department received provincial cash resources of R10.922 million in 2015/16. The department's allocation in respect of the construction of the Arts and Culture Academy was re-scheduled in order to meet the time-frames of the construction plan. This resulted in a decrease of R37 million in 2015/16, from the original allocation of R42.500 million. This R37 million was allocated over the outer years, with R3.500 million allocated in 2016/17 and R33.500 million in 2017/18. The balance of the funds against provincial cash resources related to carry-through funding in respect of The Playhouse Company and the KZN Philharmonic Orchestra, in order to increase their transfers back to their original allocation, as mentioned above. The carry-through funding is included in the equitable share baseline from 2016/17 onward.

The department under-spent by R45.228 million in 2015/16, mainly as a result of challenges experienced with the construction of the Port Shepstone and Manyiseni libraries.

The department received a roll-over and provincial cash resources of R28.452 million in 2016/17 as follows:

- R22.952 million was rolled over against the Community Library Services grant in respect of the construction of the Port Shepstone library. The conditional grant roll-over is reflected as a provincial roll-over, as the unspent funds were not surrendered to National Treasury.
- R3.500 million was included as provincial cash resources for the construction of the Arts and Culture Academy, being a re-scheduling of funds from 2015/16, as mentioned.
- R2 million in respect of provincial cash resources was allocated for the construction of the Archive Repository.

The department under-spent by R18.085 million in 2016/17, mainly as a result of delays in the supply and erection of nine modular libraries.

In the 2017/18 Main Appropriation, the department was allocated R54.381 million under provincial cash resources for the construction of the Arts and Culture Academy (R33.500 million) and the Archive Repository (R20.881 million). In the 2017/18 Adjusted Appropriation, the department received a roll-over of R14.127 million in respect of the Community Library Services grant (R9.878 million) and the equitable share (R4.249 million), of which R2 million relates to the feasibility study of the Archive

Repository. It is noted that the conditional grant roll-over is reflected as a provincial roll-over, as the unspent funds were not surrendered to National Treasury. Also, in the 2017/18 Adjusted Appropriation, the department's budget was decreased by R49.381 million in respect of provincial cash resources as follows:

- The allocation for the Arts and Culture Academy was reduced by R33.500 million being funds suspended from 2015/16. This reduction was due to the department's request for a change in purpose and re-scheduling of these funds, taking into account that the cost of constructing the academy far exceeded the original amount requested. The department requested that R20.500 million of the funds be used for the refurbishment of the Winston Churchill Theatre in Pietermaritzburg, and that R13 million be allocated toward the development of the Ladysmith Black Mambazo Music Academy, which is a project to be jointly undertaken with EDTEA. Thus R2 million was allocated in 2017/18 to be used for the Winston Churchill Theatre and the balance of the funds of R31.500 million are re-allocated in 2018/19 for completion of the refurbishment of the Winston Churchill Theatre and the establishment of the Ladysmith Black Mambazo Music Academy.
- The allocation for the Archive Repository was reduced by R20.881 million and R3 million was allocated back to the department for the feasibility study due to the department requesting for the re-scheduling of these funds in line with project requirements. The total amount allocated for the feasibility study is R5 million, as the balance of R2 million is funded by the approved roll-over, as mentioned. The balance of the reduction of R17.881 million relating to the Archive Repository is allocated back to the department over the 2018/19 MTEF.

In 2018/19, the department's provincial cash resources of R104.630 million include carry-through funds in respect the refurbishment of the Winston Churchill Theatre, establishment of the Ladysmith Black Mambazo Music Academy, as well as the Archive Repository, as mentioned. Furthermore, funding was allocated for the EPWP Integrated Grant for Provinces in 2018/19, with no carry-through at this stage.

6.2 Departmental receipts collection

Table 15.2 indicates the estimated departmental receipts for Vote 15. The main revenue sources of the department are fees in respect of the cultural hall and two campsites which fall under its control, as well as funds received from public libraries for lost/stolen library material. Details of departmental receipts are presented in *Annexure – Vote 15: Arts and Culture*.

Table 15.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	677	554	583	602	602	581	643	675	674
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	106	142	82	81	81	93	87	91	81
Interest, dividends and rent on land	1	-	-	6	6	6	6	6	-
Sale of capital assets	-	-	-	68	68	68	73	77	114
Transactions in financial assets and liabilities	791	230	285	160	160	654	171	180	134
Total	1 575	926	950	917	917	1 402	980	1 029	1 003

Sale of goods and services other than capital assets is in respect of rentals for hiring of the department's hall and campsites, rent from officials occupying state houses, parking, and commission on PERSAL deductions such as insurance premiums and garnishee orders. The revenue budget for the outer year is fairly low compared to 2019/20, and will be reviewed during the next budget process.

Fines, penalties and forfeits relates to fines collected by libraries for lost library material. The fluctuating trend from 2014/15 to the 2017/18 Revised Estimate is due to the difficulty in predicting the number of library related offences, such as lost books. It must be noted that revenue budget for 2020/21 is lower than 2019/20 and will be reviewed in the next budget process.

Interest, dividends and rent on land is in respect of interest bearing debt, such as staff debt. The revenue budget over the MTEF is to be revised in the next budget process.

Sale of capital assets derives its revenue from the disposal of redundant assets such as motor vehicles and office equipment. The department budgets for this category conservatively over the 2018/19 MTEF.

Transactions in financial assets and liabilities relates to the recovery of over-paid salaries of ex-employees and recovery of staff debts. The revenue budget for 2020/21 is lower than 2019/20 and this again will be reviewed in the next budget process.

6.3 Donor funding – Nil

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 8 below, as well as in the *Annexure – Vote 15: Arts and Culture*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- The National Treasury guidelines instructed departments to provide for an annual wage increase of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, as well as a 1.5 per cent pay progression. The department budgeted for the wage increase at 7.6, 7.9 and 10.2 per cent for each of the three years of the MTEF, respectively. However, the growth in 2018/19 is not sufficient for the filling of critical vacant posts. The growth in 2018/19 excludes the EPWP Integrated Grant for Provinces. The department therefore needs to review its *Compensation of employees* budget in-year and undertake further reprioritisation in order to fill the planned 92 critical vacant posts.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 15.3 shows the additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 15.3 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(33 816)	(35 932)	(38 227)	(40 368)	(42 588)
Above-budget 2015 wage agreement	5 357	5 741	6 172	6 518	6 876
Freezing all vacant non-OSD posts	(35 999)	(38 447)	(41 061)	(43 360)	(45 745)
Cutting events' budget	(50)	(50)	(50)	(53)	(56)
2% Goods and services cut	(3 124)	(3 176)	(3 288)	(3 472)	(3 663)
2017/18 MTEF period		17 200	48 805	94 063	548
Archive Repository		20 881	52 925	93 544	-
PES and Provincial Own Revenue reductions		(2 672)	(3 055)	(5 418)	(5 716)
Budget cuts to fund remuneration of <i>Izinduna</i>		(1 009)	(1 065)	(1 123)	(1 185)
Additional funding from National Treasury		-	-	7 060	7 448
2018/19 MTEF period			51 705	(26 233)	31 343
Archive Repository - remove from baseline			(52 925)	(93 544)	-
Archive Repository - reschedule over the MTEF			73 130	67 311	25 908
Arts and Culture Academy change in purpose - Winston Churchill			18 500	-	-
Arts and Culture Academy change in purpose - Ladysmith Black Mambazo Music Academy			13 000	-	-
Above-budget wage agreement			-	-	5 435
Total	(33 816)	(18 732)	62 283	27 462	(10 697)

With regard to the 2016/17 MTEF, due to data updates of the PES formula, declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced or cut. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all non-OSD posts, and the departments' equitable share funded *Goods and services* budget was cut for events, as well as by 2 per cent over the MTEF.

Offsetting these cuts over the 2016/17 MTEF to some extent, was the fact that the department received additional funding for the carry-through costs of the above-budget 2015 wage agreement.

In the 2017/18 MTEF, there was a reduction of the PES allocation due to data updates of the PES formula, fiscal framework reductions and a downward revision of the Provincial Own Revenue numbers and the department's budget cut amounted to R2.672 million, R3.055 million, R5.418 million over the 2017/18 MTEF. Funds were suspended to the COGTA for the remuneration of *Izinduna* as determined by the Executive Council, in line with Presidential proclamations in this regard and the department's budget was cut by R1.009 million, R1.065 million and R1.123 million over the MTEF. The cuts were offset by additional funding for the construction of the Archive Repository, with carry-through over the MTEF.

In 2018/19, the department requested that the funds allocated in previous years for the construction of an Archive Repository be rescheduled over the 2018/19 MTEF (with further funds to be allocated over future MTEFs). Accordingly, R73.130 million was allocated in 2018/19 with carry-through. In addition, the department requested a change in purpose and a suspension of the Arts and Culture Academy funds. As such, R18.500 million was suspended to 2018/19 for the refurbishment of the Winston Churchill Theatre, and R13 million was suspended to 2018/19 for the development of a Ladysmith Black Mambazo Music Academy in Ladysmith. These funds are specifically and exclusively allocated to the department and may not be used for any other purpose.

The Finance *Lekgotla* held in February resolved to allocate funds given by National Treasury in 2020/21 proportionally across all Votes proportionally for the above-budget wage agreement, hence the department receives R5.435 million for this purpose.

The 2018/19 fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising the cuts, it was resolved that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The department's budget will accordingly be cut by R3.808 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

Tables 15.4 and 15.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2014/15 to 2020/21.

The programmes of the department are largely aligned to the uniform programme and budget structure for the Arts and Culture sector, although Programme 2 excludes the Heritage Resource Services sub-programme which falls under the Office of the Premier (OTP) in KZN. It should be noted that the sector includes Sport and Recreation, which is a separate department in KZN.

The department is liable for the repayment of over-expenditure from 2013/14, resulting in a first charge against the department's budget in 2015/16 and 2016/17, and this is reflected under Programme 1: Administration against *Payments for financial assets*.

Table 15.4 : Summary of payments and estimates by programme: Arts and Culture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Administration	116 316	124 731	144 454	149 387	149 387	149 387	152 667	153 318	173 260
2. Cultural Affairs	192 927	196 089	217 119	263 350	235 099	235 099	255 489	251 262	258 222
3. Library and Archive Services	400 784	442 722	431 766	461 331	454 328	454 328	554 415	571 228	568 957
Total	710 027	763 542	793 339	874 068	838 814	838 814	962 571	975 808	1 000 439
Unauth. Exp. (1st charge) not available for spending	-	(3 830)	(3 830)	-	-	-	-	-	-
Baseline available for spending after 1st charge	710 027	759 712	789 509	874 068	838 814	838 814	962 571	975 808	1 000 439

Table 15.5 : Summary of payments and estimates by economic classification: Arts and Culture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	341 827	361 084	402 310	464 689	466 409	466 409	450 893	456 927	511 003
Compensation of employees	166 307	181 581	198 400	227 940	215 059	215 059	233 508	249 757	275 241
Goods and services	175 520	179 468	203 888	236 749	251 350	251 350	217 385	207 170	235 762
Interest and rent on land	-	35	22	-	-	-	-	-	-
Transfers and subsidies to:	297 265	331 783	290 459	252 243	249 948	249 948	337 212	341 635	347 165
Provinces and municipalities	224 629	273 527	231 797	210 582	201 009	201 009	270 790	276 235	280 985
Departmental agencies and accounts	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	24 635	10 750	11 569	4 805	10 305	10 305	28 400	27 500	27 610
Non-profit institutions	38 764	38 296	36 583	27 682	29 093	29 093	28 165	27 492	27 589
Households	1 792	1 423	2 723	1 000	1 367	1 367	1 200	1 267	1 337
Payments for capital assets	70 923	66 845	95 796	157 136	122 457	122 457	174 466	177 246	142 271
Buildings and other fixed structures	54 014	57 971	83 151	151 864	109 803	109 803	166 324	168 872	133 656
Machinery and equipment	16 726	8 874	12 645	5 272	12 654	12 654	8 142	8 374	8 615
Heritage assets	183	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	3 830	4 774	-	-	-	-	-	-
Total	710 027	763 542	793 339	874 068	838 814	838 814	962 571	975 808	1 000 439
Unauth. Exp. (1st charge) not available for spending	-	(3 830)	(3 830)	-	-	-	-	-	-
Baseline available for spending after 1st charge	710 027	759 712	789 509	874 068	838 814	838 814	962 571	975 808	1 000 439

Spending in 2015/16 against Programme 1: Administration includes additional funding for the above-budget 2015 wage agreement. In addition, funds were reprioritised from Programme 3 for audit fees, implementation of the sharepoint and automated workflows IT programme, anti-xenophobia campaign and the department's cleaning contract. The increase in 2016/17 is attributed to the reprioritisation of funds from Programme 3 for increased audit costs, as well as programmes initiated by the MEC focusing on youth development. The increase in 2017/18 is attributed to the reprioritisation of funds from Programme 3 from the provincialisation of libraries funds for the development of the Social Cohesion Strategy, which aims to address the socio-economic inequalities caused by apartheid. The increase over the MTEF includes some provision for the planned filling of critical vacant posts, such as Chief Financial Officer, Director: Internal Control and Risk Management, Director: Security Management, Director: Executive Support, Director: Information Technology, as well as interns for all programmes. The growth in 2018/19 is sufficient for filling of posts, however, consideration of the critical nature of posts must be taken. The growth in 2019/20 is not sufficient though, and the department will review the *Compensation of employees* budget in-year and in the next budget process.

The increase in 2015/16 against Programme 2: Cultural Affairs is due to the department receiving a roll-over for the Royalty Soapie Awards and reprioritisation of funds from Programme 3 for the introduction of various new transfer payments, such as the Apartheid museum in Durban and the Usiba Writers' Guild. Spending in 2016/17 included the movement of funds from Programme 3 for the Disability Summit held in Pietermaritzburg in collaboration with the Department of Sport and Recreation (DOSR), launch of the Essence Festival in Durban, as well as the construction of the Maritime museum in Port Shepstone. The 2017/18 Main Appropriation included the last tranche of funding in respect of the construction of the Arts and Culture Academy. The decrease in the 2017/18 Adjusted Appropriation is attributed to a reduction of the Arts and Culture Academy funds due to the department's request for a change in purpose and re-scheduling of these funds, as mentioned. In addition, the department reprioritised funds from Programme

3 in respect of transfers to the Metro for provincialisation of libraries in 2017/18 to Programme 2 for programmes initiated by the MEC focusing on youth development, hosting of the Social Cohesion Summit and the Disability Summit. This explains the decrease in 2018/19. With regard to the Arts and Culture Academy funds, R18.500 million was suspended to 2018/19 for the refurbishment of the Winston Churchill Theatre, and R13 million was redirected for the development of the Ladysmith Black Mambazo Music Academy. This explains the decrease in 2019/20. The increase in 2020/21 can be attributed to additional funding received from National Treasury for the above-budget wage agreement. As mentioned, the department reprioritised to fill critical vacant posts over the MTEF, but the growth in 2018/19 is not sufficient to cater for existing staff as well as the filling of vacant posts. The department will review the *Compensation of employees* budget in-year and in the next budget process.

The increase in 2015/16 against Programme 3: Library and Archive Services is due to the roll-over in respect of the refurbishment of library depots, as well as the construction and upgrade of various libraries. The decrease in 2016/17 is largely attributed to a transfer to the Nquthu Municipality being withheld in respect of staffing and operational costs of modular libraries due to the municipality not having a council to regulate or monitor the transfer. In addition, there were delays in the supply and erection of nine modular libraries. Furthermore, the feasibility study for the construction of the Archive Repository in Pietermaritzburg was not conducted as a result of the department's lack of technical expertise. The decrease in the 2017/18 Adjusted Appropriation is largely attributed to the department requesting for the re-scheduling of the Archive Repository funds in line with project requirements, as mentioned. The increase in 2018/19 and 2019/20 is attributed to a large portion of the re-scheduled funds in respect of the Archive Repository being allocated in these years, explaining the decrease in 2020/21. As mentioned, the department reprioritised to fill critical vacant posts over the MTEF. However, the growth in 2018/19 is not sufficient for existing staff and the filling of vacant posts. The department will review the *Compensation of employees* budget in-year and in the next budget process.

Compensation of employees shows a decrease in the 2017/18 Adjusted Appropriation resulting from the non-filling of budgeted critical vacant posts due to lengthy internal recruitment processes. The increase over the MTEF is due to the reprioritisation of funds from *Goods and services* for the planned filling of 92 posts. These posts include Chief Financial Officer, Director: Internal Control and Risk Management, Director: Security Management, Director: Executive Support, Director: Information Technology, as well as interns for all programmes. The *Compensation of employees* growth from 2017/18 to 2018/19 should be 8 per cent to cater for existing staff in terms of National Treasury's guidelines. However, the growth is only 7.6 per cent, which is not sufficient for existing staff and the filling of critical vacant posts. The department will review the *Compensation of employees* growth in-year and in the next budget process.

Goods and services includes the costs of the main events hosted by the department and the acquisition of library materials for public libraries. The increase in 2016/17 is attributed to the reprioritisation of funds from *Compensation of employees* for increased audit costs, for various MEC programmes focusing on youth development, as well as hosting the Disability Summit. The high 2017/18 Main Appropriation is due to the reprioritisation from *Transfers and subsidies to: Provinces and municipalities* against the eThekweni Metro in respect of the provincialisation of libraries to fund programmes initiated by the MEC focusing on youth development, the Social Cohesion Strategy and hosting of the Social Cohesion Summit, as mentioned. The increase in the 2017/18 Adjusted Appropriation is attributed to an increase in the operational costs for the Office of the MEC, such as travelling and accommodation for the MEC and staff in the execution of the mandates of both departments that fall under the MEC, as well as the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* relating to transfers to the Newcastle Municipality for the finalisation of the Charlestown library under the Community Library Services grant. These funds were used for minor renovations to various libraries, refurbishing, equipping, procurement of e-learning kiosks, among others, within the grant. This change in the Community Library Services grant business plan was approved by the National Department of Arts and Culture (NDAC). The decrease over the MTEF is due to the department reprioritising funds to *Compensation of employees* for the filling of critical vacant posts and includes conditional grant funding in respect of the purchase of library material, connectivity costs for internet access and the costs of implementing the SLIMS library control system.

Interest and rent on land relates to overdue accounts in respect of fleet services management accounts.

Transfers and subsidies to: Provinces and municipalities reflects transfers made to municipalities for library building projects, museum subsidies, and for the provincialisation of libraries and museums. The increase in 2015/16 is attributed to the reprioritisation of funds for motor vehicle licences which were under-budgeted for, incorporation of the Vukani museum, as well as the appointment of staff and operational costs of the Maqongqo library in the Mkhambathini Municipality and Aquadene library in the uMhlathuze Municipality. In addition, the increase catered for the new transfer to the eThekweni Metro which became responsible for the management of the Stable Theatre. The decrease in 2016/17 is due to a transfer to the Msunduzi Municipality in respect of the Tatham Art Gallery not being effected because of non-submission of the required documentation. In addition, the transfer of provincialisation funds to Nquthu Municipality in respect of staffing and operational costs for modular libraries was not effected as a result of the municipality not having a council to regulate or monitor the transfer. In the 2017/18 Adjusted Appropriation, the department requested the NDAC to change the Community Library Services grant business plan and this resulted in funds being moved from *Transfers and subsidies to: Provinces and municipalities* in respect of transfers to the Newcastle Municipality for the finalisation of the Charlestown library. These funds were moved to *Goods and services* and *Machinery and equipment* for installation of RFID gates in libraries. The increase over the MTEF provides for transfers to municipalities for the payment of mobile library units, salaries of cyber cadets, as well as the establishment of the Ladysmith Black Mambazo Music Academy in the Alfred Duma Municipality.

Transfers and subsidies to: Departmental agencies and accounts reflects transfer payments made to The Playhouse Company. The increase over the 2018/19 MTEF is due to inflationary increments.

Transfers and subsidies to: Public corporations and private enterprises reflects transfers to various organisations which assist the department in implementing its arts and culture programmes. Spending in 2016/17 includes the reprioritisation of funds from *Compensation of employees* in respect of the launch of the Essence Festival held in Durban. The increase in the 2017/18 Adjusted Appropriation is due to the reprioritisation of funds from *Goods and services* for the introduction of transfers in respect of MPF Production, PMB Jazz Festival and the KZN Imbizo. The increase over the MTEF provides for new transfers to various organisations, such as Youth Own Your Power, Newcastle Jazz Festival, Drakensberg Extravaganza and uMlalazi Festival Expo.

Transfers and subsidies to: Non-profit institutions covers transfers made to the KZN Philharmonic Orchestra, arts councils, art centres, as well as museums managed by Boards of Trustees. In addition, support is provided to various art organisations. The decrease in 2016/17 is attributed to the cancellation of transfers to some organisations, such as Khandempevu Productions, Inter-cultural food tasting and Wildsfees, as a result of non-compliance to the departmental transfer policy, such as submission of audited AFS. The decrease in the 2017/18 Main Appropriation is due to the department's decision to undertake some of the functions conducted by these organisations directly. The increase in the 2017/18 Adjusted Appropriation can be attributed to the introduction of new transfers to the Bhodloza Talent Development programme, Natya Ananda Fine Arts, as well as increased museum subsidies in respect of the Prince Mangosuthu Buthelezi museum and Documentation Centre. The MTEF provides for the continuation of transfers to the KZN Philharmonic Orchestra, arts councils, art centres, museums managed by Boards of Trustees, as well as various art organisations.

Transfers and subsidies to: Households relates to staff exit costs, as well as external bursary payments.

The increase in 2015/16 against *Buildings and other fixed structures* is attributed to the roll-over in respect of equitable share and the Community Library Services grant for the refurbishment of library depots, such as the Pinetown and Dundee library depots, as well as the construction and upgrade of various libraries, such as Ngwavuma, Bruntville, Manyiseni and Bilanyoni, as mentioned. The increase in 2016/17 is due to the roll-over in respect of the construction of the Port Shepstone museum. The decrease in the 2017/18 Adjusted Appropriation relates to the reduction of the Arts and Culture Academy and Archive Repository funds, as mentioned. In addition, the department requested the NDAC for a change in the Community Library Services grant business plan, and this resulted in funds being moved to *Goods and services* and *Machinery and equipment*. The MTEF allocations provide for the construction of modular libraries, the Archive Repository, KwaMdakane, Dukuduku, and Imbali libraries, as well as the

upgrade and refurbishment of Osizweni art centre, Winston Churchill Theatre, and the Ngwelezane and Bhongweni libraries.

The decrease against *Machinery and equipment* in 2015/16 is attributed to delays in the delivery of motor vehicles ordered, hence payment could not be made by year-end. The increase in 2016/17 is due to the purchase and replacement of computer equipment, as well as the installation of security gates and information kiosks in libraries. The increase in the 2017/18 Adjusted Appropriation relates to the purchase of new motor vehicles and the reprioritisation of the Community Library Services grant funds from *Buildings and other fixed structures* due to the change in the business plan, as mentioned. These funds were used for the installation of the RFID gates in existing libraries and modular libraries, explaining the decrease in 2018/19. The MTEF allocations increase and provide for the replacement of computers and furniture for staff appointed in prioritised posts, and include the Community Library Services grant allocations for the upgrading of computer equipment in public libraries.

Heritage assets relates to the purchase of museum artefacts. Spending in 2014/15 relates to the purchase of historic South African artefacts which were placed in provincial museums.

Spending against *Payments for financial assets* relates to the write-off of staff debts. In addition, the amounts in 2015/16 and 2016/17 are in respect of the first charge, as previously explained.

7.4 Summary of conditional grant payments and estimates

Tables 15.6 and 15.7 show the amounts allocated to the department in respect of the Community Library Services grant and the EPWP Integrated Grant for Provinces. Note that the historical figures set out in Table 15.6 reflect actual expenditure per grant, and should not be compared to those reflected in Table 15.1, which represent the actual receipts for each grant. Details of the conditional grants are given in *Annexure – Vote 15: Arts and Culture*.

Table 15.6 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Community Library Services grant	108 428	132 773	176 198	173 093	182 971	182 971	174 397	183 917	194 072
EPWP Integrated Grant for provinces	-	1 400	2 000	2 000	2 000	2 000	2 000	-	-
Total	108 428	134 173	178 198	175 093	184 971	184 971	176 397	183 917	194 072

Table 15.7 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	40 459	39 122	50 128	47 881	63 351	63 351	45 176	52 213	49 990
Compensation of employees	4 245	4 789	7 344	10 430	10 430	10 430	9 863	8 523	9 214
Goods and services	36 214	34 333	42 784	37 451	52 921	52 921	35 313	43 690	40 776
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	19 600	53 249	58 512	42 323	32 231	32 231	59 527	50 704	57 082
Provinces and municipalities	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	3 191	3 117	3 329	2 597	2 597	2 597	2 800	1 891	1 988
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	48 369	41 802	69 558	84 889	89 389	89 389	71 694	81 000	87 000
Buildings and other fixed structures	45 379	39 388	63 469	82 889	82 889	82 889	67 694	77 000	83 000
Machinery and equipment	2 990	2 414	6 089	2 000	6 500	6 500	4 000	4 000	4 000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	108 428	134 173	178 198	175 093	184 971	184 971	176 397	183 917	194 072

The Community Library Services grant increases strongly over the seven-year period. The increase in 2015/16 is due to the roll-over of R14.199 million in respect of the construction and upgrade of various libraries. The increase in 2016/17 is attributed to the roll-over in respect of the construction of the Port

Shepstone library. The increase in the 2017/18 Adjusted Appropriation is due to a roll-over in respect of staffing and operational costs of libraries in the Nquthu Municipality and the supply and erection of modular libraries. The increase over the MTEF caters for the construction of various libraries, such as KwaMdakane, Dukuduku and Imbali, and staffing and operational costs of provincialised libraries.

The EPWP Integrated Grant for Provinces is utilised for the appointment of contract cleaners for the department, museums and libraries. The grant is also used for the appointment of arts and culture facilitators who train school children at schools on arts and culture related activities. This grant receives an allocation of R2 million in 2018/19, with no allocation in 2019/20 and 2020/21, at this stage due to the incentive nature of this grant.

Compensation of employees caters for the appointment of staff for libraries as part of provincialisation, as well as staff to oversee the administration of the Community Library Services grant. In 2018/19, the department has allocated the EPWP Integrated Grant for Provinces allocation against this category for the appointment of contract cleaners for the department, museums, and libraries, as well as appointment of arts and culture facilitators.

Goods and services spending mainly relates to the purchase of library materials, connectivity costs for internet access and the costs of implementing the SLIMS library control systems from 2014/15 to 2017/18. This category included the EPWP Integrated Grant for Provinces allocation for the appointment of contract cleaners for the department, museums and libraries, as well as arts and culture facilitators who train school children at schools on arts and culture related activities. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* for undertaking minor renovations to various libraries, refurnishing, equipping, procurement of e-learning kiosks, and establishment of toy libraries, as mentioned. The allocation over the MTEF caters for the continuation of the purchase of library materials for existing and new libraries, internet connectivity costs and operating of SLIMS in libraries.

The increase in 2015/16 against *Transfers and subsidies to: Provinces and municipalities* is attributed to the reprioritisation of funds from *Buildings and other fixed structures* for the appointment of staff and operational costs of the Maqongqo library in the Mkhambathini Municipality, and the Aquadene library in the uMhlathuze Municipality. The increase in 2016/17 is due to the reprioritisation of funds from *Compensation of employees* for the appointment of staff for libraries in municipalities. The decrease in the 2017/18 Adjusted Appropriation is attributed to the movement of funds to *Goods and services* and *Machinery equipment*. The movement was due to a change in the Community Library Services grant as these funds were originally earmarked for transfer to the Newcastle Municipality for the finalisation of the Charlestown library. The MTEF allocation provides for transfers to municipalities in respect of mobile library units, salaries of cyber cadets, as well as the transfer to the Newcastle Municipality for the finalisation of the Charlestown library.

Transfers and subsidies to: Non-profit institutions caters for transfer payments in respect of the Family Literacy project, SA Library for the Blind and Africa Ignite. The department has not budgeted for transfers to Africa Ignite from 2019/20 onward, explaining the decrease in the outer years.

The increase in *Buildings and other fixed structures* in 2016/17 relates to a roll-over for the Port Shepstone museum. The decrease over the MTEF is attributed to the department's decision to complete existing libraries before commencing construction of new libraries. Over the MTEF, the department will continue with the construction of libraries, such as Ngwelezane and Bhongweni libraries.

Machinery and equipment fluctuates over the seven-year period and relates to the purchase of mobile library buses and upgrading of computer equipment in libraries. The increase in 2016/17 is due to the reprioritisation of funds from *Goods and services* for installation of security gates and information kiosks in various libraries, as mentioned. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation from *Transfers and subsidies to: Provinces and municipalities* for the installation of RFID gates. The MTEF allocations relate to the upgrading of computer equipment in public libraries, as well as the purchase of equipment and four mobile library buses for completed libraries.

7.5 Summary of infrastructure payments and estimates

Table 15.8 shows the amounts allocated by the department in respect of infrastructure spending, including both capital and current expenditure. Further details of the department's infrastructure payments and estimates are presented in the *2018/19 Estimates of Capital Expenditure (ECE)*.

Table 15.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Existing infrastructure assets	8 001	17 552	6 053	21 594	24 114	24 114	27 500	26 561	26 748
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	4 170	5 666	3 646	12 383	12 383	12 383	25 500	26 561	26 748
Refurbishment and rehabilitation: Capital	3 831	11 886	2 407	9 211	11 731	11 731	2 000	-	-
New infrastructure assets: Capital	46 013	40 419	77 098	130 270	85 689	85 689	138 824	142 311	106 908
Infrastructure transfers	2 452	30 800	15 000	11 000	-	-	16 000	8 000	-
Infrastructure transfers: Current	-	800	-	-	-	-	-	-	-
Infrastructure transfers: Capital	2 452	30 000	15 000	11 000	-	-	16 000	8 000	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	56 466	88 771	98 151	162 864	109 803	109 803	182 324	176 872	133 656
Capital infrastructure	56 466	87 971	98 151	162 864	109 803	109 803	182 324	176 872	133 656
Current infrastructure	-	800	-	-	-	-	-	-	-

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

The spending against *Upgrades and additions: Capital* in 2016/17 is in respect of the upgrade of various art centres, such as uThungulu, Mbazwana and Osizweni. The increase over the MTEF provides for the upgrade to the Winston Churchill Theatre, various art centre, and various libraries.

The increase in 2015/16 against *Refurbishment and rehabilitation: Capital* relates to the roll-over for the refurbishment of library depots, such as the Pinetown and Dundee library depots. The increase in the 2017/18 Adjusted Appropriation is due to the reprioritisation from *Goods and services* for the refurbishment of the Gerhard Bhengu and Mooi River museums. The 2018/19 amount is for the completion of the Ngwelezane, Mtubatuba and Bhongweni libraries, hence no allocation thereafter.

The increase against *New infrastructure assets: Capital* in 2016/17 is due to a roll-over of R22.952 million received for the construction of the Port Shepstone library. The department received R2 million for the Archive Repository. The decrease in the Adjusted Appropriation is due to the reduction of the Arts and Culture Academy and Archive Repository funds in line with the department's request for a change in purpose and re-scheduling of these funds taking into account project requirements. The MTEF provides for the Archive Repository, KwaMdakane, Dukuduku, Imbali and modular libraries.

Infrastructure transfers: Current in 2015/16 relates to the current maintenance of museum buildings, as well as repairs to the roof of the collection centre in Pietermaritzburg.

Infrastructure transfers: Capital reflects transfers to municipalities for the building of libraries and museums, among others. In 2016/17, the department withdrew the transfer to the eThekweni Metro in respect of the construction of the mega-library due to various challenges experienced by the Metro. The decrease in the 2017/18 Adjusted Appropriation is attributed to the movement of funds to *Goods and services* and *Machinery equipment*, due to a change in the Community Library Services grant. These funds were originally allocated for transfer to the Newcastle Municipality for the finalisation of the Charlestown library. The increase in 2018/19 provides for transfers to the Newcastle and Alfred Duma Municipalities for the finalisation of the Charlestown library and the establishment of the Ladysmith Black Mambazo Music Academy. The department anticipates to complete the establishment of the Ladysmith Black Mambazo Music Academy in 2019/20, hence the non-allocation of funds in 2020/21.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 15.9 indicates transfers to public and other entities. The department transfers to only one public entity, The Playhouse Company, which resides under Programme 2 against *Transfers and subsidies to: Departmental agencies and accounts*. The other entities fall under *Transfers and subsidies to: Non-profit institutions* and *Transfers and subsidies to: Public corporations and private enterprises*.

Table 15:9 : Summary of departmental transfers to public entities (i.t.o Schedule 3 of the PFMA) and other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Transfers to public entities		7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
The Playhouse Company		7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Transfers to other entities		63 399	49 046	48 532	32 487	39 398	39 398	56 565	54 992	55 199
KZN Philharmonic Orchestra	2.1 Arts and Culture	10 230	10 700	10 700	10 700	10 700	10 700	10 700	10 700	10 700
Community art centres		3 498	2 827	4 415	5 351	5 351	5 351	4 815	4 815	4 815
BAT art centre	2.1 Arts and Culture	1 817	1 853	1 951	1 951	1 951	1 951	1 951	1 951	1 951
Catalina Theatre	2.1 Arts and Culture	166	200	-	536	536	536	-	-	-
Ewushini art centre	2.1 Arts and Culture	166	-	300	300	300	300	300	300	300
Gobhela art centre	2.1 Arts and Culture	213	-	236	236	236	236	236	236	236
Jambo art centre	2.1 Arts and Culture	166	174	183	183	183	183	183	183	183
Khula art centre	2.1 Arts and Culture	193	-	300	300	300	300	300	300	300
KZN African Film Festival (Ekhyaya)	2.1 Arts and Culture	584	600	1 145	1 545	1 545	1 545	1 545	1 545	1 545
Rorkes Drift art centre	2.1 Arts and Culture	193	-	300	300	300	300	300	300	300
Arts and culture support		42 146	29 567	27 698	10 022	16 752	16 752	34 010	32 201	32 408
Africa Ignite	2.1 Arts and Culture	-	500	-	-	-	-	-	-	-
Africa Ignite	3.4 Com. Library Serv	1 980	1 625	1 787	1 000	1 000	1 000	1 000	-	-
African Child event	2.1 Arts and Culture	-	-	275	-	-	-	-	-	-
Amambazo: The Musical	2.1 Arts and Culture	2 000	1 000	-	-	-	-	-	-	-
Amantshotsho Ka Maskandi Awards	2.1 Arts and Culture	-	1 600	1 600	-	-	-	1 000	1 000	1 000
Amasiko Ehlanguene	2.1 Arts and Culture	-	-	500	-	-	-	-	-	-
Amasiko Omzinyathi	2.1 Arts and Culture	-	-	-	-	-	-	1 500	1 500	1 500
Armco Dam Festival	2.1 Arts and Culture	200	200	200	500	500	500	500	500	500
Art in the Park	2.1 Arts and Culture	50	50	50	50	50	50	60	60	60
Beads Festival	2.1 Arts and Culture	-	500	500	500	500	500	1 100	1 100	1 100
Bhodoza Talent Development Prog.	2.1 Arts and Culture	-	-	-	-	1 000	1 000	1 000	1 000	1 000
Centre for Creative Arts (UKZN)	2.1 Arts and Culture	100	100	100	100	100	100	100	100	100
Clash of Choirs	1.2 Corporate Serv	150	-	-	-	-	-	-	-	-
Crown Gospel Music Awards	2.1 Arts and Culture	-	-	-	-	-	70	-	-	-
Die Ventersfees	2.1 Arts and Culture	-	250	250	250	250	250	-	-	-
Dolosfees Festival	2.1 Arts and Culture	70	70	70	70	70	-	100	100	100
Drakensberg Extravaganza	2.1 Arts and Culture	-	-	-	-	-	-	4 000	4 000	4 000
Durban International Blues Festival	2.1 Arts and Culture	100	100	100	100	100	100	100	100	100
Durban Picnic Day	1.2 Corporate Serv	250	-	-	-	-	-	-	-	-
Durban Rocks	2.1 Arts and Culture	-	-	-	-	-	-	500	500	500
Durban School of Music	2.1 Arts and Culture	-	500	650	650	650	650	650	650	650
East Griqualand Festival	2.1 Arts and Culture	-	-	350	350	350	350	350	350	350
Essence Festival	2.1 Arts and Culture	-	-	1 844	-	-	-	2 000	2 000	2 000
Family Literacy project	3.4 Com. Library Serv	266	500	500	500	500	500	500	500	500
Federation of Community Art Centres	2.1 Arts and Culture	200	-	-	-	-	-	-	-	-
Fodo Cultural Village	2.1 Arts and Culture	80	80	80	-	-	-	-	-	-
Gcinamafa (Pty) Ltd	2.1 Arts and Culture	-	-	300	-	-	-	-	-	-
Gumba Festival	1.2 Corporate Serv	500	350	-	-	400	400	-	-	-
Hazelmere Dam Jazz Festival	2.1 Arts and Culture	-	-	-	-	-	-	600	600	600
Hilton Arts Festival	2.1 Arts and Culture	100	100	150	100	100	100	100	100	100
Hip Hop Festival	2.1 Arts and Culture	-	500	-	-	-	-	-	-	-
Impucuzeko Maskandi Festival	2.1 Arts and Culture	-	400	500	-	-	-	2 000	2 000	2 000
Indondo Awards	2.1 Arts and Culture	-	-	100	-	-	-	-	-	-
Indoni	2.1 Arts and Culture	-	-	500	-	-	-	2 000	1 000	1 000
International Jazz Extravaganza	2.1 Arts and Culture	-	-	-	2 105	2 105	2 105	-	-	-
Izingane zoMa	2.1 Arts and Culture	-	-	1 500	-	-	-	-	-	-
Khandampevu Productions	2.1 Arts and Culture	120	120	-	-	-	-	-	-	-
KwaCulture	2.1 Arts and Culture	150	480	500	150	150	150	150	150	150
Kwadabeka Cultural Festival	2.1 Arts and Culture	-	-	100	-	-	-	-	-	-
KZN Imbizo	2.1 Arts and Culture	-	350	-	-	350	350	-	-	-
KZN Music House	2.1 Arts and Culture	12 000	12 000	8 600	-	-	-	-	-	-
KZN Youth Wind Band	2.1 Arts and Culture	150	-	1 000	150	150	150	-	-	-
Love my City	2.1 Arts and Culture	-	200	-	-	-	-	-	-	-
Love to Live	2.1 Arts and Culture	80	80	80	-	80	80	80	80	80
March in the Park	1.2 Corporate Serv	350	-	-	-	-	-	-	-	-
Midlands Music Festival	1.2 Corporate Serv	200	-	-	-	-	-	-	-	-
Midmar Festival	2.1 Arts and Culture	-	200	200	500	500	500	500	500	500
MPF Production	2.1 Arts and Culture	-	-	-	-	4 000	4 000	4 000	4 000	4 000
National Annual Choral Music Awards	2.1 Arts and Culture	5 000	-	-	-	-	-	-	-	-
Natya Ananda Fine Arts	2.1 Arts and Culture	-	-	-	-	150	150	-	-	-
Newcastle Jazz Festival	2.1 Arts and Culture	-	-	-	-	-	-	1 500	1 500	1 500
PANSA Young Performers	2.1 Arts and Culture	300	300	-	-	-	-	-	-	-
PMB Jazz Festival	2.1 Arts and Culture	1 500	-	1 000	-	500	500	500	500	500
Prayer against road accidents	1.2 Corporate Serv	250	-	-	-	-	-	-	-	-
Royalty Soapie Awards	2.1 Arts and Culture	4 500	500	-	-	-	-	-	-	-
SA Library for the Blind	3.4 Com. Library Serv	945	992	1 042	1 097	1 097	1 097	1 300	1 391	1 488
Sakhisizwe Organisation	2.1 Arts and Culture	220	220	220	-	-	-	220	220	220
The King and Us	2.1 Arts and Culture	5 000	1 000	-	-	-	-	-	-	-
Ugu Jazz Festival	2.1 Arts and Culture	3 635	3 000	1 600	500	500	500	500	500	500
Ukhozi nyusi volume	2.1 Arts and Culture	-	-	-	-	-	-	1 500	1 500	1 500
Umgababa Youth Festival	1.2 Corporate Serv	600	250	250	-	250	250	500	500	500
Umlalazi Festival Expo	2.1 Arts and Culture	-	-	-	-	-	-	2 000	2 000	2 000
Ushaka Marine	2.1 Arts and Culture	600	600	300	600	600	600	-	-	-
Usiba Writers' Guild	2.1 Arts and Culture	-	150	150	150	150	150	-	-	-
uThungulu Last Dance	1.2 Corporate Serv	400	600	600	600	600	600	1 100	1 100	1 100
Wagna Project	2.1 Arts and Culture	-	-	150	-	-	-	-	-	-
Wildfees Festival	2.1 Arts and Culture	100	100	-	-	-	-	-	-	-
Youth Own Your Power	2.1 Arts and Culture	-	-	-	-	-	-	1 000	1 100	1 210

Table 15:9 : Summary of departmental transfers to public entities (i.t.o. Schedule 3 of the PFMA) and other entities - continued

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Art councils	2.1 Arts and Culture	1 798	1 669	1 979	1 988	1 988	1 988	1 988	1 988	1 988
Museum subsidies		5 727	4 283	3 740	4 426	4 607	4 607	5 052	5 288	5 288
1860 Heritage Centre Doc Centre	2.4 Museum Serv	799	299	314	329	329	329	346	363	363
Amazwi Abesifazane	2.4 Museum Serv	150	-	-	174	-	-	183	192	192
Apartheid museum	2.4 Museum Serv	-	500	-	-	-	-	-	-	-
Baynesfield museum	2.4 Museum Serv	299	200	210	220	220	220	231	243	243
Comrades House museum	2.4 Museum Serv	299	250	262	275	275	275	288	303	303
DCO Mafiwane	2.4 Museum Serv	849	299	314	329	329	329	346	363	363
Deutsche Schule Hermannsburg	2.4 Museum Serv	299	250	262	275	275	275	288	303	303
East Griqualand museum Trust	2.4 Museum Serv	299	250	262	275	275	275	288	303	303
Himeville museum	2.4 Museum Serv	299	299	314	329	329	329	346	363	363
KwaCulture	2.4 Museum Serv	-	-	-	367	367	367	385	405	405
Macrorie House museum	2.4 Museum Serv	299	250	-	-	-	-	-	-	-
Mazisi Kunene museum	2.4 Museum Serv	299	250	262	275	275	275	288	303	303
Mpophomeni Community museum	2.4 Museum Serv	299	250	262	275	275	275	288	303	303
Natal Arts Trust	2.4 Museum Serv	30	30	-	31	-	-	33	35	35
Phansi museum	2.4 Museum Serv	299	200	210	220	220	220	231	243	243
Prince Mangosuthu Buthelezi Museum	2.4 Museum Serv	-	-	-	-	386	386	405	405	405
Project Gateway	2.4 Museum Serv	150	158	166	174	174	174	183	192	192
Richmond, Byrne and District museum	2.4 Museum Serv	299	200	210	220	220	220	231	243	243
Utrecht museum	2.4 Museum Serv	299	299	314	329	329	329	346	363	363
Vukani museum	2.4 Museum Serv	460	299	378	329	329	329	346	363	363
Total		70 844	56 833	56 319	40 661	47 572	47 572	65 222	64 133	64 843

The Playhouse Company

The Playhouse Company is a cultural institution promulgated under the Cultural Institutions Act, No. 119 of 1998. Its primary mandate is to develop and promote artistic works that are representative of the diverse South African artistic and cultural heritage. The department entered into an agreement with the entity based on projects undertaken which are linked to the department's mandate, such as promoting arts education and arts development initiatives. The increase over the MTEF is inflationary.

KZN Philharmonic Orchestra

Funding is provided to the KZN Philharmonic Orchestra, which is a non-profit institution committed to ensuring the development of artists through nurturing of local talent and skills and providing cultural entertainment. The allocation to this organisation remains at R10.700 million over the MTEF.

Community art centres

The department continues to fund community art centres, which contribute to the development and training of artists. The increase in 2017/18 is attributed to increased transfers to the Catalina Theatre and KZN African Film Festival (Ekhaya). The allocations to community art centres remain constant over the MTEF, in terms of the agreement between the department and the art centres.

Arts and culture support

Arts and culture support funding is provided to various organisations to assist in providing a platform for emerging artists. The department enters into MOUs with institutions and detailed business plans are provided. The high amount in 2014/15 relates to various increases and introduction of transfers, such as the National Annual Choral Music Awards, Amambazo: The Musical, Royalty Soapie Awards, the KZN Music House and PMB Jazz Festival. The decrease in the 2017/18 Main Appropriation is due to a decrease in some transfers, such as Africa Ignite, some remaining constant, like uThungulu Last Dance and some being discontinued, such as the Amantshontsho Ka Maskandi Awards and KZN Music House Festival, in terms of the agreement with the respective entities. The increase in the 2017/18 Adjusted Appropriation is due to the introduction of transfers, such as Bhodloza Talent Development Programme, Natya Ananda Fine Arts, and MPF Production. The MTEF allocations provide for new transfers, such as Newcastle Jazz Festival, Durban Rocks, Youth Own Your Power, and the Hazelmere Dam Jazz Festival.

Arts Councils

The amount under Arts Councils is transferred to properly constituted arts, culture and craft organisations that develop and preserve arts and culture in the province. The budget remains constant over the MTEF.

Museum subsidies

Funding is provided to non-profit institutions to cover operational and staffing costs for museums. The museums listed under this category are managed by a Board of Trustees and a large portion of the funding

transferred to them is used for the salaries paid to curators. The decrease in 2015/16 relates to the reprioritisation of funds to *Transfers and subsidies to: Provinces and municipalities* for the incorporation of the Vukani museum. The decrease in 2016/17 relates to the discontinuation of transfers to the Vukani and Apartheid museums. The increase in the 2017/18 Adjusted Appropriation is due to the introduction of a transfer to the Prince Mangosuthu Buthelezi museum. The growth in the outer years remains constant.

7.8 Transfers to local government

Tables 15.10 and 15.11 provide a summary of transfers made to local government. Details of the amounts per grant type and per municipality are given in *Annexure – Vote 15: Arts and Culture*. It is noted that the tables do not include funding for motor vehicle licences, as this funding is not paid to a municipality.

Table 15.10 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	119 205	160 534	102 416	73 563	72 563	72 563	89 737	94 205	98 925
Category B	103 567	111 098	127 277	134 918	126 345	126 345	178 942	179 909	179 928
Category C	1 729	1 815	1 911	1 911	1 911	1 911	1 911	1 911	1 911
Unallocated	-	-	-	-	-	-	-	-	-
Total	224 501	273 447	231 604	210 392	200 819	200 819	270 590	276 025	280 764

Table 15.11 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Art Centres (Operational costs)	2.2 Arts and Culture	1 729	2 587	1 911	2 911	1 911	1 911	1 911	1 911	1 911
Ladysmith Black Mambazo Music Academy	2.2 Arts and Culture	-	-	-	-	-	-	5 000	8 000	-
Museum subsidies	2.4 Museum Services	8 181	8 142	7 759	8 558	8 958	8 958	8 987	9 438	9 957
Provincialisation of libraries	3.2 Library Services	198 182	212 586	166 751	159 197	160 316	160 316	197 965	207 863	213 802
Community Library Services grant	3.2 Library Services	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Total		224 501	273 447	231 604	210 392	200 819	200 819	270 590	276 025	280 764

A portion of the Community Library Services grant is paid to municipalities to assist at local level with the costs of cyber cadets and acquisition of library material, hence the transfers under Categories A and B. Transfers to Categories A and B are also aimed at assisting municipalities with the operational and staffing costs of museums. Museum subsidies are allocated over both categories.

The allocations to Category A, which relate to transfers to the eThekweni Metro, are for the operational costs of libraries in that area, as well as museum subsidies. The increase in 2015/16 relates to increased transfers to the Metro in respect of the management of the Stable Theatre. The decrease in 2016/17 is attributed to the cancellation of the transfer to the Metro in respect of the management of the Stable Theatre due to the theatre not complying with the departmental transfer policy, such as submission of the audited AFS. In addition, provincialisation funds were reduced from the Metro as a result of spending pressures experienced by the department. The decrease in the 2017/18 Adjusted Appropriation is due to the reprioritisation of funds in respect of the Stable Theatre to *Goods and services* due to non-compliance of the theatre with departmental transfer policy. The allocations over the MTEF relate to the ongoing transfers to the Metro in respect of the provincialisation of libraries and museums.

Category B consists of transfers to museums and libraries in respect of provincialisation. The increase in 2015/16 relates to the reprioritisation of funds from *Goods and services* and *Buildings and other fixed structures* for the incorporation of the Vukani museum at uMlalazi Municipality, as well as the appointment of staff and operational costs of the Maqonqo library in the Mkhambathini Municipality and Aquadene library in the uMhlathuze Municipality. The increase in 2016/17 is due to the reprioritisation of funds from *Buildings and other fixed structures* for the construction of the Newcastle and Charlestown libraries. The decrease in the 2017/18 Adjusted Appropriation can be attributed to the reprioritisation to *Goods and services* and *Machinery and equipment* due to the change in the Community Library Services grant, as mentioned. The MTEF allocations increase and provide for transfers to the Newcastle and Alfred Duma Municipalities for the finalisation of the Charlestown library and the establishment of the Ladysmith Black Mambazo Music Academy.

Category C caters for a transfer to the King Cetshwayo District Municipality in respect of museum subsidies and to the Zululand District Municipality in respect of art centre subsidies for the Indonsa art centre. The 2018/19 MTEF allocations relate to the transfer to the Zululand District Municipality only, and this amount remains constant over the MTEF.

7.9 Transfers and subsidies

Table 15.12 gives a summary of spending on *Transfers and subsidies* by programme and main category. A brief explanation of the transfers is provided above and below the table.

Table 15.12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	3 453	866	3 019	1 190	1 414	1 414	1 400	1 477	1 558
Provinces and municipalities	128	80	193	190	190	190	200	210	221
Motor vehicle licences	128	80	193	190	190	190	200	210	221
Public corporations and private enterprises	2 900	250	650	-	-	-	-	-	-
Durban Picnic Day	250	-	-	-	-	-	-	-	-
March in the Park	350	-	-	-	-	-	-	-	-
Uthungulu Last Dance	400	-	-	-	-	-	-	-	-
Armco Dam Festival	200	-	-	-	-	-	-	-	-
Gumba Festival	500	-	-	-	-	-	-	-	-
Amasiko Ehlangene	-	-	500	-	-	-	-	-	-
Prayer against road accidents	250	-	-	-	-	-	-	-	-
Wagna Project	-	-	150	-	-	-	-	-	-
Umgababa Youth Festival	600	250	-	-	-	-	-	-	-
Midlands Music Festival	200	-	-	-	-	-	-	-	-
Clash of Choirs	150	-	-	-	-	-	-	-	-
Non-profit institutions	220	220	220	-	-	-	-	-	-
Sakhisizwe Organisation	220	220	220	-	-	-	-	-	-
Households	205	316	1 956	1 000	1 224	1 224	1 200	1 267	1 337
Staff exit costs	205	316	1 353	-	224	224	-	-	-
Bursaries to non-employees	-	-	603	1 000	1 000	1 000	1 200	1 267	1 337
2. Cultural Affairs	75 309	64 879	61 636	49 533	55 971	55 971	78 320	81 591	74 723
Provinces and municipalities	9 910	10 729	9 670	11 469	10 869	10 869	15 898	19 349	11 868
Museum subsidies	8 181	8 142	7 759	8 558	8 958	8 958	8 987	9 438	9 957
Operational costs for art centres	1 729	2 587	1 911	2 911	1 911	1 911	1 911	1 911	1 911
Ladysmith Black Mambazo Music Academy	-	-	-	-	-	-	5 000	8 000	-
Departmental agencies and accounts	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
The Playhouse Company	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Public corporations and private enterprises	21 735	10 500	10 919	4 805	10 305	10 305	28 400	27 500	27 610
Amambazo: The Musical	2 000	1 000	-	-	-	-	-	-	-
Amantshontsho Ka Maskandi	-	1 600	1 600	-	-	-	1 000	1 000	1 000
Amasiko Omzinyathi	-	-	-	-	-	-	1 500	1 500	1 500
Amasiko Ehlangene	-	-	275	-	-	-	-	-	-
Armco Dam Festival	-	200	200	500	500	500	500	500	500
Beads Festival	-	500	500	500	500	500	1 100	1 100	1 100
Drakensberg Extravaganza	-	-	-	-	-	-	4 000	4 000	4 000
Durban International Blues Festival	100	100	100	100	100	100	100	100	100
Durban Rocks	-	-	-	-	-	-	500	500	500
Essence Festival	-	-	1 844	-	-	-	2 000	2 000	2 000
Gcinamafa (Pty) Ltd	-	-	300	-	-	-	-	-	-
Gumba Festival	-	350	-	-	400	400	-	-	-
Hazelmere Dam Jazz Festival	-	-	-	-	-	-	600	600	600
Hip hop festival	-	500	-	-	-	-	-	-	-
Impucuzeko Maskandi Festival	-	400	500	-	-	-	2 000	2 000	2 000
Indondo Awards	-	-	100	-	-	-	-	-	-
Indoni	-	-	500	-	-	-	2 000	1 000	1 000
International Jazz Extravaganza	-	-	-	2 105	2 105	2 105	-	-	-
Izingane zoMa	-	-	1 500	-	-	-	-	-	-
Kwadabeka Cultural Festival	-	-	100	-	-	-	-	-	-
KZN Music Imbizo	-	350	-	-	350	350	-	-	-
Love my City	-	200	-	-	-	-	-	-	-
Midmar Festival	-	200	200	500	500	500	500	500	500
MPF Production	-	-	-	-	4 000	4 000	4 000	4 000	4 000
National Choral Music Awards	5 000	-	-	-	-	-	-	-	-
Newcastle Jazz Festival	-	-	-	-	-	-	1 500	1 500	1 500
PMB Jazz Festival	1 500	-	1 000	-	500	500	500	500	500
Royalty Soapie Awards	4 500	500	-	-	-	-	-	-	-
The King and Us	5 000	1 000	-	-	-	-	-	-	-
Ugu Jazz Festival	3 635	3 000	1 600	500	500	500	500	500	500
Ukhozi Nyusi Volume	-	-	-	-	-	-	1 500	1 500	1 500
Umgababa Youth Festival	-	-	-	-	250	250	500	500	500
Umlalazi Festival Expo	-	-	-	-	-	-	2 000	2 000	2 000
uThungulu Last Dance	-	600	600	600	600	600	1 100	1 100	1 100
Youth Own Your Power	-	-	-	-	-	-	1 000	1 100	1 210

Table 15.12 : Summary of transfers and subsidies by programme and main category - continued

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Non-profit institution	35 353	34 959	33 034	25 085	26 496	26 496	25 365	25 601	25 601
KZN Philharmonic Orchestra	10 230	10 700	10 700	10 700	10 700	10 700	10 700	10 700	10 700
Museum subsidies	5 727	4 283	3 740	4 426	4 607	4 607	5 052	5 288	5 288
Transfers to Art Centres	2 914	2 227	3 270	5 351	5 351	5 351	4 815	4 815	4 815
Arts and Culture Support	14 684	16 080	13 345	2 620	3 850	3 850	2 810	2 810	2 810
Africa Ignite	-	500	-	-	-	-	-	-	-
Art in the Park	50	50	-	50	50	50	60	60	60
Bhodoza Talent Development Programme	-	-	-	-	1 000	1 000	1 000	1 000	1 000
Centre for Creative Arts (UKZN)	100	100	100	100	100	100	100	100	100
Die Ventersees	-	250	250	250	250	250	-	-	-
Dolosfees Festival	70	70	70	70	70	70	100	100	100
Durban School of Music	-	500	650	650	650	650	650	650	650
East Griqualand Festival	-	-	350	350	350	350	350	350	350
Federation of Community Art Centres	200	-	-	-	-	-	-	-	-
Fodo Cultural Village	80	80	80	-	-	-	-	-	-
Hilton Arts Festival	100	100	150	100	100	100	100	100	100
Inter-cultural food tasting	-	-	-	-	-	-	-	-	-
Khandampevu Productions	120	120	-	-	-	-	-	-	-
KwaCulture	150	480	500	150	150	150	150	150	150
KZN African Film Festival	584	600	1 145	-	-	-	-	-	-
KZN Music House	12 000	12 000	8 600	-	-	-	-	-	-
KZN Youth Wind Band	150	-	1 000	150	150	150	-	-	-
Love to Live	80	80	-	-	80	80	80	80	80
Natya Ananda Fine Arts	-	-	-	-	150	150	-	-	-
PANSA Young Performers	300	300	-	-	-	-	-	-	-
Sakhisizwe Organisation	-	-	-	-	-	-	220	220	220
Twist Theatre Development	-	-	-	-	-	-	-	-	-
Ushaka Marine	600	600	300	600	600	600	-	-	-
Usiba Writers' Guild	-	150	150	150	150	150	-	-	-
Wildsees Festival	100	100	-	-	-	-	-	-	-
Transfers to Art Councils	1 798	1 669	1 979	1 988	1 988	1 988	1 988	1 988	1 988
Households	866	904	226	-	127	127	-	-	-
Staff exit costs	866	904	226	-	127	127	-	-	-
3. Library and Archive Services	218 503	266 038	225 804	201 520	192 563	192 563	257 492	258 567	270 884
Provinces and municipalities	214 591	262 718	221 934	198 923	189 950	189 950	254 692	256 676	268 896
Community Library Services grant	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Provincialisation of libraries	198 182	212 586	166 751	159 197	160 316	160 316	197 965	207 863	213 802
Non-profit institutions	3 191	3 117	3 329	2 597	2 597	2 597	2 800	1 891	1 988
Africa Ignite	1 980	1 625	1 787	1 000	1 000	1 000	1 000	-	-
Family Literacy Project	266	500	500	500	500	500	500	500	500
SA Library for Blind	945	992	1 042	1 097	1 097	1 097	1 300	1 391	1 488
Households	721	203	541	-	16	16	-	-	-
Staff exit costs	721	203	541	-	16	16	-	-	-
Total	297 265	331 783	290 459	252 243	249 948	249 948	337 212	341 635	347 165

Transfers and subsidies under Programme 1 includes motor vehicle licences (*Provinces and municipalities*), as well as staff exit costs and external bursaries under *Households*.

Transfers and subsidies under Programme 2 fluctuate markedly over the seven-year period, as follows:

- *Provinces and municipalities* relates to subsidies paid to municipalities for the operational costs of museums as part of the provincialisation transfers. The 2018/19 and 2019/20 allocations include transfers to the Alfred Duma Municipality for the establishment of the Ladysmith Black Mambazo Music Academy.
- *Departmental agencies and accounts* relates to the annual subsidy paid to The Playhouse Company. The increase over the 2018/19 MTEF is due to inflationary increments.
- *Public corporations and private enterprises* relates to transfers to organisations which do not meet the definition of non-profit organisations in terms of Section 21 of the Companies Act. The increase over the MTEF provides for new transfers to various organisations, such as Youth Own Your Power, Newcastle Jazz Festival, Drakensberg Extravaganza and uMlalazi Festival Expo.
- *Non-profit institutions* covers transfers made to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is provided to various art organisations.
- *Households* caters for staff exit costs.

Transfers and subsidies under Programme 3 fluctuates over the seven-year period, as follows:

- *Provinces and municipalities* relates to a number of transfers made in respect of the provincialisation of libraries and the Community Library Services grant which is used for the construction of libraries, the expansion of the library material collection and greater emphasis placed on ICT and library

promotion projects. The increase over the MTEF provides for transfers to municipalities in respect of mobile library units, salaries of cyber cadets, as well as the transfer to the Newcastle Municipality for the finalisation of the Charlestown library.

- *Non-profit institutions* caters for transfer payments to Africa Ignite, the Family Literacy project and SA Library for the Blind. The department will continue to transfer funds to the Family Literacy project and SA Library for the Blind over the 2018/19 MTEF. The department has not budgeted for transfers to Africa Ignite from 2019/20 due to the project coming to an end in 2018/19, explaining the decrease in the outer years.
- *Households* caters for staff exit costs.

8. Programme description

The services rendered by this department are categorised under three programmes. The programmes are largely aligned to the uniform programme and budget structure of the sector. The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are given in *Annexure – Vote 15: Arts and Culture*.

8.1 Programme 1: Administration

The purpose of this programme is to provide for effective management and administration of the department and to ensure effective and efficient use of financial and human resources. This programme complies with the structure set for the sector and comprises two sub-programmes.

Tables 15.13 and 15.14 summarise payments and estimates for the period 2014/15 to 2020/21.

Table 15.13 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Office of the MEC	16 984	19 264	15 446	15 989	21 789	21 789	16 705	17 900	20 165
2. Corporate Services	99 332	105 467	129 008	133 398	127 598	127 598	135 962	135 418	153 095
Total	116 316	124 731	144 454	149 387	149 387	149 387	152 667	153 318	173 260
Unauth. Exp. (1st charge) not available for spending	-	(3 830)	(3 830)	-	-	-	-	-	-
Baseline available for spending after 1st charge	116 316	120 901	140 624	149 387	149 387	149 387	152 667	153 318	173 260

Table 15.14 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	110 966	117 908	135 028	147 965	146 055	146 055	150 998	151 557	171 402
Compensation of employees	59 008	64 761	69 197	80 341	75 167	75 167	84 525	90 846	101 352
Goods and services	51 958	53 112	65 820	67 624	70 888	70 888	66 473	60 711	70 050
Interest and rent on land	-	35	11	-	-	-	-	-	-
Transfers and subsidies to:	3 453	866	3 019	1 190	1 414	1 414	1 400	1 477	1 558
Provinces and municipalities	128	80	193	190	190	190	200	210	221
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2 900	250	650	-	-	-	-	-	-
Non-profit institutions	220	220	220	-	-	-	-	-	-
Households	205	316	1 956	1 000	1 224	1 224	1 200	1 267	1 337
Payments for capital assets	1 897	2 127	1 633	232	1 918	1 918	269	284	300
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 897	2 127	1 633	232	1 918	1 918	269	284	300
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	3 830	4 774	-	-	-	-	-	-
Total	116 316	124 731	144 454	149 387	149 387	149 387	152 667	153 318	173 260
Unauth. Exp. (1st charge) not available for spending	-	(3 830)	(3 830)	-	-	-	-	-	-
Baseline available for spending after 1st charge	116 316	120 901	140 624	149 387	149 387	149 387	152 667	153 318	173 260

The sub-programme: Office of the MEC caters for the administration of the MEC's office.

The sub-programme: Corporate Services provides for the operational costs of running the department which includes auxiliary services, human resources, financial management and the office of the Head of Department. The increase over the MTEF includes the planned filling of critical vacant posts, such as Chief Financial Officer, Director: Internal Control and Risk Management, Director: Security Management, Director: Executive Support, Director: Information Technology, as well as interns for all programmes.

Compensation of employees increases over the seven-year period. The increase over the MTEF is due to planned filling of critical vacant posts. According to the National Treasury guideline, the annual wage increase should be 6.2, 6.5 and 6.5 per cent over the 2018/19 MTEF, as well the 1.5 per cent pay progression. This programme is budgeting to fill 33 vacant critical posts. The budget includes provision for the wage increase, pay progression and filling of critical vacant posts at 12.4, 7.5 and 11.6 per cent growth over the MTEF. This growth in 2018/19 is sufficient for the filling of posts, however, consideration of the critical nature of posts must be taken. The growth in 2019/20 is not sufficient, though, and the department will review the *Compensation of employees* budget in-year and in the next budget process.

Goods and services caters for operational costs of running the department, as well as hosting programmes initiated by the MEC. The increase in the 2017/18 Adjusted Appropriation is due to the reprioritisation from *Compensation of employees* for operational costs for the Office of the MEC, such as travelling and accommodation for the MEC. The decrease over the MTEF compared to 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds to *Compensation of employees* for the planned filling of critical vacant posts.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences.

Transfers and subsidies to: Households caters for staff exit costs, as well as external bursaries.

Machinery and equipment fluctuates over the MTEF and caters mainly for the upgrading and replacement of obsolete computer equipment.

8.2 Programme 2: Cultural Affairs

The purpose of this programme is to provide for projects and interventions in the arts, culture, language and museum services.

The aim is to provide an environment conducive to the celebration, nourishment and growth of these sectors.

This programme complies with the structure set for the sector, except for the fact that there is no Heritage Resource Services sub-programme, as this function falls under Vote 1: Office of the Premier in this province.

Tables 15.15 and 15.16 summarise payments and estimates from 2014/15 to 2020/21.

Table 15.15 : Summary of payments and estimates by sub-programme: Cultural Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Management	4 063	4 681	5 996	4 586	4 586	4 586	5 546	5 976	6 435
2. Arts and Culture	147 012	146 334	153 358	210 132	181 481	181 481	203 404	195 935	198 155
3. Museum Services	29 427	28 482	41 654	31 923	32 323	32 323	27 999	29 742	32 123
4. Language Services	12 425	16 592	16 111	16 709	16 709	16 709	18 540	19 609	21 509
Total	192 927	196 089	217 119	263 350	235 099	235 099	255 489	251 262	258 222

Table 15.16 : Summary of payments and estimates by economic classification: Cultural Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	102 552	116 687	132 217	172 092	162 387	162 387	156 123	148 482	170 639
Compensation of employees	51 041	56 224	65 653	73 145	67 423	67 423	74 524	78 398	86 925
Goods and services	51 511	60 463	66 559	98 947	94 964	94 964	81 599	70 084	83 714
Interest and rent on land	-	-	5	-	-	-	-	-	-
Transfers and subsidies to:	75 309	64 879	61 636	49 533	55 971	55 971	78 320	81 591	74 723
Provinces and municipalities	9 910	10 729	9 670	11 469	10 869	10 869	15 898	19 349	11 868
Departmental agencies and accounts	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	21 735	10 500	10 919	4 805	10 305	10 305	28 300	27 400	27 510
Non-profit institutions	35 353	34 959	33 034	25 085	26 496	26 496	25 465	25 701	25 701
Households	866	904	226	-	127	127	-	-	-
Payments for capital assets	15 066	14 523	23 266	41 725	16 741	16 741	21 046	21 189	12 860
Buildings and other fixed structures	5 247	11 282	19 512	40 883	14 703	14 703	19 500	19 561	11 142
Machinery and equipment	9 636	3 241	3 754	842	2 038	2 038	1 546	1 628	1 718
Heritage assets	183	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	192 927	196 089	217 119	263 350	235 099	235 099	255 489	251 262	258 222

The sub-programme: Management increases over the MTEF due to inflationary increments. The allocation over the MTEF will continue to support the co-ordination and implementation of projects in the arts, culture, museums and language services spheres.

The main aim of the Arts and Culture sub-programme is to ensure cultural diversity and the advancement of artistic disciplines into viable industries. The sub-programme increases substantially in 2017/18 due to additional funding allocated for the construction of the Arts and Culture Academy, EPWP Integrated Grant for Provinces, as well as funds reprioritised from Programme 3 from the provincialisation of libraries funding for hosting of the Social Cohesion Summit. The Social Cohesion Summit culminates from the Social Cohesion Strategy, as mentioned. The EPWP Integrated Grant for Provinces is allocated in 2018/19 only for appointment of contract cleaners, as well as arts and culture facilitation, at this stage. This explains the decrease in 2019/20. The 2018/19 allocation includes the provision for refurbishment of the Winston Churchill Theatre and establishment of the Ladysmith Black Mambazo Music Academy. In addition, the department will continue to host departmental events and promote arts and culture through events such as the Reed Dance (*uMkhosi Womhlanga*), Freedom Day, Africa Day and King Shaka Celebrations, as well as provision of support to reading and writing clubs over the MTEF.

The aim of the Museum Services sub-programme is to act as the custodian of tangible and intangible heritage to preserve, protect, conserve and appreciate for future generations. The sub-programme increases steadily over the MTEF and provides for the ongoing provincialisation of museums.

The focus of the Language Services sub-programme is the promotion of multi-lingualism and development of historically marginalised languages, and the facilitation of access to government information and services through translation, interpretation and ensuring respect for language rights. The sub-programme reflects steady growth over the MTEF and provides for the continuation of provision of support to reading and writing clubs. In addition, the department will continue to invite government departments and statutory bodies to make full use of its translation, interpretation and editing services offered at no cost, with regard to the official languages of the province.

Compensation of employees increases as a result of the planned filling of 22 critical vacant posts over the MTEF, such as Deputy Director: uMzinyathi District, and Director: Arts Development. The department has budgeted 7.6, 8.1 and 10.9 per cent growth over the MTEF. The growth in 2018/19 is not sufficient to cater for existing staff and the filling of vacant posts. The department will review the *Compensation of employees* budget in-year and in the next budget process.

Goods and services reflects a substantial increase in 2017/18 and this includes the EPWP Integrated Grant for Provinces, as well as funds reprioritised from Programme 3 in respect of provincialisation of libraries

for hosting of Social Cohesion Summit, Disability Summit, as well as regional events culminating in provincial events. This explains the decrease in 2018/19. The decrease in 2019/20 can be attributed to the non-allocation of the EPWP Integrated Grant for Provinces, at this stage. The department will continue to host and promote arts and culture through departmental events, as mentioned.

Transfers and subsidies to: Provinces and municipalities relates to transfers to municipalities in respect of museum subsidies and the operational costs of the Indonsa art centre. The MTEF allocations include transfers to the Alfred Duma Municipality for the establishment of the Ladysmith Black Mambazo Music Academy.

Transfers and subsidies to: Departmental agencies and accounts relates to the subsidy paid to The Playhouse Company.

Transfers and subsidies to: Public corporations and private enterprises relates to transfers to organisations which do not meet the definition of non-profit organisations in terms of Section 21 of the Companies Act. The increase over the MTEF provides for new transfers to various organisations, such as Youth Own Your Power, Newcastle Jazz Festival, Drakenberg Extravaganza and uMlalazi Festival Expo.

Transfers and subsidies to: Non-profit institutions covers transfers to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is provided to various art organisations.

Transfers and subsidies to: Households relates to staff exit costs.

Buildings and other fixed structures provides for the construction and upgrade of various art centres and museums. The MTEF allocations provide for the refurbishment of the Winston Churchill Theatre and the Osizweni art centre, among others.

Machinery and equipment provides for the replacement of computers and furniture.

Service delivery measures: Cultural Affairs

Table 15.17 illustrates the service delivery measures relevant to Programme 2 from 2017/18 to 2020/21.

The department has incorporated some sector measures, while the bulk of these measures are non-sector. Further measures to those listed here, are included in the department's 2018/19 APP. The department has included new performance indicators and these are reflected as "New" under the 2017/18 estimated performance.

Table 15.17 : Service delivery measures: Cultural Affairs

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1 Arts and Culture					
1.1 To advance the 2035 agenda to achieve a socially cohesive society and nation building	<ul style="list-style-type: none"> No. of community structures supported No. of SMMEs funded through creative industry initiatives No. of practitioners benefitting from capacity building opportunities No. of structured Arts, Culture and Heritage (ACH) research that address moral regeneration and social cohesion completed No. of EPWP job opportunities created per annum No. of provincial social cohesion and moral regeneration summits hosted No. of marketing platforms/opportunities provided to ACH practitioners No. community conversations/dialogues conducted No. of national and/or historical days celebrated No. of ACH centres built or renovated No. of war-room intervention package programmes implemented No. of ACH centres built or renovated 	29 18 2 250 2 250 1 New 12 10 3 New New	18 24 2 410 4 250 1 52 67 10 3 1 2	19 24 2 410 4 250 1 52 67 10 3 1 2	20 24 2 410 4 250 1 52 67 10 3 1 2

Table 15.17 : Service delivery measures: Cultural Affairs

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
2 Language Services					
2.1 To advance the 2035 agenda to achieve a socially cohesive society and nation building	No. of language co-ordinating structures supported	5	3	3	3
	No. of KZN use of official language policy reviewed	New	1	1	-
3 Museum Services					
3.1 To advance the 2035 agenda to achieve a socially cohesive society and nation building	No. of exhibitions staged	3	3	3	3
	No. of training sessions offered to museums	2	2	2	2

8.3 Programme 3: Library and Archive Services

The aim of this programme is to provide library and information services, as well as archive services. This programme includes the Community Library Services conditional grant as a sub-programme, which is additional to the sector structure.

Tables 15.18 and 15.19 summarise payments and estimates relating to these functions for the period 2014/15 to 2020/21.

Table 15.18 : Summary of payments and estimates by sub-programme: Library and Archive Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Management	2 083	2 141	2 262	1 641	1 641	1 641	1 638	1 767	1 903
2. Library Services	268 374	283 989	227 314	233 182	234 301	234 301	273 861	283 266	310 128
3. Archives	21 899	23 819	25 992	53 415	35 415	35 415	104 519	101 278	62 854
4. Community Library Services grant	108 428	132 773	176 198	173 093	182 971	182 971	174 397	184 917	194 072
Total	400 784	442 722	431 766	461 331	454 328	454 328	554 415	571 228	568 957

Table 15.19 : Summary of payments and estimates by economic classification: Library and Archive Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	128 309	126 489	135 065	144 632	157 967	157 967	143 772	156 888	168 962
Compensation of employees	56 258	60 596	63 550	74 454	72 469	72 469	74 459	80 513	86 964
Goods and services	72 051	65 893	71 509	70 178	85 498	85 498	69 313	76 375	81 998
Interest and rent on land	-	-	6	-	-	-	-	-	-
Transfers and subsidies to:	218 503	266 038	225 804	201 520	192 563	192 563	257 492	258 567	270 884
Provinces and municipalities	214 591	262 718	221 934	198 923	189 950	189 950	254 692	256 676	268 896
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	3 191	3 117	3 329	2 597	2 597	2 597	2 800	1 891	1 988
Households	721	203	541	-	16	16	-	-	-
Payments for capital assets	53 960	50 195	70 897	115 179	103 798	103 798	153 151	155 773	129 111
Buildings and other fixed structures	48 767	46 689	63 639	110 981	95 100	95 100	146 824	149 311	122 514
Machinery and equipment	5 193	3 506	7 258	4 198	8 698	8 698	6 327	6 462	6 597
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total	400 784	442 722	431 766	461 331	454 328	454 328	554 415	571 228	568 957

The Management sub-programme is responsible for monitoring and management of various projects within the sub-programmes. The increase over the MTEF is largely due to inflationary increments.

The Library Services sub-programme caters for the provision of a public library service to affiliated municipal public libraries throughout the province. The aim of this sub-programme is the improvement of

libraries, and provision of access to them by all communities, by building, upgrading and automating public libraries, as well as developing and sustaining a reading culture. The sub-programme includes the funding received for the provincialisation of public libraries. The decrease in 2017/18 is attributed to the reprioritisation of provincialisation funds to Programmes 1 and 2 for the programmes initiated by the MEC focusing on youth development, the Social Cohesion Strategy and hosting of the Social Cohesion Summit, as mentioned above. The increase in the outer years caters for continuation of provision of support to public libraries for conducting monitoring, stocktaking, as well as the provision of library materials, such as e-books and audio-visual material. In addition, the department will continue to transfer funds to municipalities in respect of provincialisation of libraries which entails provision of staffing and operational costs of libraries.

The central function of the Archives sub-programme is to acquire, preserve and manage public and non-public records in order to ensure public access to the nation's archival heritage. This includes the acquisition and preservation of public records with historical value, ensuring accessibility of records and promotion of their utilisation, the proper management and care of all public records, and the collection of records with potential provincial value and significance. The sub-programme increases significantly over the MTEF, largely due to additional funding for the construction of the Archive Repository in Pietermaritzburg. The department anticipates completing the construction of the Archive Repository in 2022/23. The department will continue to implement oral history interviews over the 2018/19 MTEF.

The increase in the Community Library Services grant sub-programme the 2017/18 Adjusted Appropriation is attributed to a roll-over in respect of staffing and operational costs of libraries in Nquthu Municipality and the supply and erection of modular libraries. The increase over the MTEF caters for the construction of various libraries, such as KwaMdakane, Dukuduku, and Imbali, as well as staffing and operational costs of provincialised libraries. The allocations against the Community Library Services grant were decreased by R8.325 million and R8.778 million in 2018/19 and 2019/20, respectively due to fiscal consolidation, while increasing by R1.377 million in 2020/21 to allow for inflationary growth.

Compensation of employees caters for the appointment of staff for libraries as part of provincialisation, as well as staff to oversee the administration of the Community Library Services grant. The department is plans on filling 35 critical vacant posts under this programme. However, as mentioned, the growth in 2018/19 is not sufficient to cater for existing staff, let alone the filling of vacant posts. The department will review the *Compensation of employees* budget in-year and in the next budget process. The decrease in 2018/19 compared to 2017/18 can be attributed to the decrease in the Community Library Services grant due to fiscal consolidation.

Goods and services relates to the acquisition of library materials, connectivity costs for internet access and the costs of implementing the SLIMS library control systems. The increase in the 2017/18 Adjusted Appropriation is attributed to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* for undertaking minor renovations to various libraries, refurnishing, equipping, procurement of e-learning kiosks, and establishment of toy libraries due to a change in the Community Library Services grant business plan, as mentioned. The increase over the outer years caters for the continuation of the purchase of library materials for existing and new libraries, internet connectivity costs and operating of SLIMS in libraries.

Transfers and subsidies to: Provinces and municipalities reflects an increase over the MTEF due to the provision of transfers to municipalities in respect of mobile library units, salaries of cyber cadets, as well as the transfer to the Newcastle Municipality for the finalisation of the Charlestown library.

Transfers and subsidies to: Non-profit institutions caters for transfer payments to Africa Ignite, the Family Literacy project and SA Library for the Blind. The decrease from 2019/20 can be attributed to the department not budgeting for transfers to Africa Ignite from 2019/20 onward due to the project coming to an end in 2018/19.

Transfers and subsidies to: Households relates to staff exit costs.

Buildings and other fixed structures increases over the MTEF. The increase is largely attributed to additional funding received in respect of the construction of the Archive Repository in Pietermaritzburg,

with substantial funding in 2019/20. This explains the peak in 2019/20. In addition, the department will commence the construction of libraries, such as Imbali, Ngwavuma, Manyiseni, as well as the upgrade of the uMzimkhulu library, which are conditional grant funded projects.

Machinery and equipment fluctuates over the seven-year period and relates to the purchase of mobile library buses and upgrading of computer equipment in libraries. The allocation over the MTEF relates to the upgrading of computer equipment in public libraries.

Service delivery measures – Programme 3: Library and Archive Services

Table 15.20 reflects service delivery measures for Programme 3. The department has incorporated some sector measures, while the bulk of these measures are non-sector. Further measures to those listed here, are included in the department's 2018/19 APP.

Table 15.20 : Service delivery measures: Programme 3: Library and Archives Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2017/18	2018/19	2019/20	2020/21
1 Library Services					
1.1 To advance the 2035 agenda to achieve a socially cohesive society and nation building	<ul style="list-style-type: none"> No. of library materials procured No. of new libraries built No. of existing facilities upgraded for public library purposes 	180 000 2 2	200 000 3 2	220 000 2 2	240 000 2 2
2 Archives Services					
2.1 To advance the 2035 agenda to achieve a socially cohesive society and nation building	<ul style="list-style-type: none"> No. of promotional interventions on promotion of national symbols and orders No. of govt. bodies receiving records No. of govt. bodies inspected No. of oral history interviews undertaken 	21 24 118 118	27 24 4 162	30 24 5 165	33 24 170 170

9. Other programme information

9.1 Personnel numbers and costs

Table 15.21 provides details of the personnel numbers per programme. The table also gives a breakdown of employee dispensation classification.

Table 15.21 : Summary of departmental personnel numbers and costs by component

Table 13.21: Summary of departmental personnel numbers and costs by component																			
	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Pers. no.1	Costs	Pers. no.1	Costs	Pers. no.1	Costs	Filled posts	Add. posts	Pers. no.1	Costs	Pers. no.1	Costs	Pers. no.1	Costs	Pers. no.1	Costs	Pers. growth rate	Costs growth rate	% costs of total
R thousands																			
Salary level																			
1 – 6	165	26 319	173	27 589	210	34 932	169	-	169	42 431	193	35 909	193	34 541	193	38 284	4.5%	(3.4%)	15.6%
7 – 10	213	47 953	246	53 272	297	90 367	250	-	250	98 930	294	105 957	294	127 095	294	140 217	5.6%	12.3%	49.5%
11 – 12	48	58 893	43	63 402	52	34 632	44	-	44	34 963	58	46 400	58	41 954	58	45 020	9.6%	8.8%	16.5%
13 – 16	27	25 788	28	28 942	32	34 029	26	-	26	34 355	32	30 291	32	31 621	32	35 953	7.2%	1.5%	13.8%
Other	64	7 354	88	8 376	74	4 440	-	95	95	4 380	88	14 951	103	14 546	111	15 767	5.3%	53.3%	4.7%
Total	517	166 307	578	181 581	665	198 400	489	95	584	215 059	665	233 508	680	249 757	688	275 241	5.6%	8.6%	100.0%
Programme																			
1. Administration	178	59 008	200	64 761	229	69 197	127	95	222	75 167	253	86 525	268	90 846	276	101 352	7.5%	10.5%	36.1%
2. Cultural Affairs	129	51 041	148	56 224	176	65 653	151	-	151	67 423	163	72 524	163	78 398	163	86 925	2.6%	8.8%	31.4%
3. Library and Archive Services	210	56 258	230	60 596	260	63 550	211	-	211	72 469	249	74 459	249	80 513	249	86 964	5.7%	6.3%	32.4%
Total	517	166 307	578	181 581	665	198 400	489	95	584	215 059	665	233 508	680	249 757	688	275 241	5.6%	8.6%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	403	157 685	487	172 520	589	193 171	400	-	400	200 657	559	216 493	574	233 435	582	258 021	13.3%	8.7%	93.5%
Legal Prof.	2	1 268	1	685	2	789	2	-	2	1 578	3	1 711	3	1 849	3	1 951	14.5%	7.3%	0.7%
Others (interns, EPWP, learnerships)	112	7 354	90	8 376	74	4 440	87	95	182	12 824	103	15 304	103	14 473	103	15 269	(17.3%)	6.0%	5.8%
Total	517	166 307	578	181 581	665	198 400	489	95	584	215 059	665	233 508	680	249 757	688	275 241	5.6%	8.6%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

According to the department, 584 posts are filled in 2017/18, of which 95 relate to internship posts. Interns are reflected under *Other* and are centralised under Programme 1 and are paid a stipend of R5 000 per month.

The department indicated that it has reprioritised to fill 92 critical vacant posts in total over the MTEF. However, the personnel numbers above do not show the increase in personnel. The department has budgeted for growth of 7.6, 7.9 and 10.2 per cent for each of the three years of the MTEF for the annual wage increase and pay progression. As mentioned, the growth in 2018/19 is not sufficient for the filling of critical vacant posts, however as it is lower than the expected annual wage increment and pay progression. The growth in 2018/19 excludes the EPWP Integrated Grant for Provinces. The department will review its *Compensation of employees* budget in-year and in the next budget process, and will need to undertake further reprioritisation to provide for the filling of the vacant posts.

9.2 Training

Table 15.22 provides details of expenditure on training by the department over the seven years. The department is complying with the requirement of the Skills Development Act, which requires that it budgets at least 1 per cent of its salary expenses on training.

Table 15.22 : Information on training: Arts and Culture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Number of staff	517	578	665	584	584	584	665	680	688
Number of personnel trained	305	305	305	305	305	305	305	305	321
of which									
Male	115	115	115	115	115	115	115	115	121
Female	190	190	190	190	190	190	190	190	200
Number of training opportunities	296	296	296	296	296	296	296	296	312
of which									
Tertiary	40	40	40	40	40	40	40	40	42
Workshops	50	50	50	50	50	50	50	50	53
Seminars	20	20	20	20	20	20	20	20	21
Other	186	186	186	186	186	186	186	186	196
Number of bursaries offered	63	63	63	63	63	63	63	63	66
Number of interns appointed	51	51	51	51	51	51	51	51	54
Number of learnerships appointed	41	41	41	41	41	41	41	41	43
Number of days spent on training	202	202	202	202	202	202	202	202	213
Payments on training by programme									
1. Administration	498	1 037	3 761	2 401	2 401	2 401	2 708	2 494	3 159
2. Cultural Affairs	8	427	802	92	92	92	94	99	105
3. Library and Archive Services	143	1 295	223	661	661	661	1 290	1 359	1 431
Total	649	2 759	4 786	3 154	3 154	3 154	4 092	3 952	4 695

ANNEXURE – VOTE 15: ARTS AND CULTURE

Table 15.A : Details of departmental receipts: Arts and Culture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	677	554	581	602	602	581	643	675	674
Sale of goods and services produced by department (excluding capital assets)	677	554	581	602	602	580	643	675	674
Sales by market establishments	358	317	391	441	441	432	483	515	505
Other sales	319	237	190	161	161	148	160	160	169
Of which									
Commission	112	108	120	161	161	100	160	160	169
Tender documents	207	129	39	-	-	32	-	-	-
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	1	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	106	142	84	81	81	93	87	91	81
Interest, dividends and rent on land	1	-	-	6	6	6	6	6	-
Interest	1	-	-	6	6	6	6	6	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	68	68	68	73	77	114
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	-	-	68	68	68	73	77	114
Transactions in financial assets and liabilities	791	230	286	160	160	654	171	180	134
Total	1 575	926	951	917	917	1 402	980	1 029	1 003

Table 15.B : Payments and estimates by economic classification: Arts and Culture

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	341 827	361 084	402 310	464 689	466 409	466 409	450 893	456 927	511 003
Compensation of employees	166 307	181 581	198 400	227 940	215 059	215 059	233 508	249 757	275 241
Salaries and wages	145 128	157 211	171 668	198 808	186 117	186 117	203 823	217 523	239 995
Social contributions	21 179	24 370	26 732	29 132	28 942	28 942	29 685	32 234	35 246
Goods and services	175 520	179 468	203 888	236 749	251 350	251 350	217 385	207 170	235 762
Administrative fees	1 242	1 933	1 481	1 918	1 918	1 918	674	712	752
Advertising	2 251	8 687	7 535	6 050	6 050	6 050	4 676	2 897	4 060
Minor assets	39 240	31 876	33 485	34 210	47 980	47 980	29 736	38 573	39 200
Audit cost: External	3 110	3 192	4 229	4 425	4 425	4 425	4 410	4 539	4 789
Bursaries: Employees	208	65	553	221	221	221	232	245	258
Catering: Departmental activities	1 099	930	414	3 294	3 294	3 294	1 959	2 131	3 135
Communication (G&S)	4 327	4 660	5 716	6 696	6 689	6 689	6 240	6 449	7 311
Computer services	13 310	14 525	22 682	18 531	17 631	17 631	19 725	22 418	24 094
Cons. and prof. serv.: Business and advisory services	10 099	617	1 564	4 170	4 170	4 170	3 133	2 982	4 233
Infrastructure and planning	-	-	-	-	-	-	250	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	75	311	1 678	210	210	210	221	233	246
Contractors	14 165	13 001	17 856	19 236	18 972	18 972	15 003	12 259	14 987
Agency and support / outsourced services	7 587	10 129	10 532	22 257	20 977	20 977	14 865	16 058	18 121
Entertainment	190	42	99	264	264	264	274	290	305
Fleet services (including government motor transport)	4 779	5 780	5 768	2 804	4 304	4 304	3 311	2 999	4 285
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	20	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	150	158	165
Inventory: Materials and supplies	-	-	14	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	389	1 004	1 073	-	-	-	-	-	-
Consumable supplies	3 733	3 292	5 396	12 750	12 550	12 550	12 250	10 437	11 671
Consumable: Stationery, printing and office supplies	8 155	7 665	9 175	8 391	7 591	7 591	8 122	6 339	7 710
Operating leases	12 210	10 778	12 580	14 228	14 228	14 228	14 673	13 693	14 590
Property payments	9 974	11 254	14 981	15 887	15 887	15 887	14 900	15 190	16 126
Transport provided: Departmental activity	7 067	11 601	10 145	15 077	16 504	16 504	17 210	14 330	15 582
Travel and subsistence	21 251	24 655	19 510	19 924	20 595	20 595	20 009	18 157	21 137
Training and development	649	2 759	4 786	3 154	3 154	3 154	4 092	3 952	4 695
Operating payments	870	1 499	1 540	2 356	2 240	2 240	2 161	2 285	2 410
Venues and facilities	1 928	1 397	106	10 867	10 667	10 667	7 482	2 800	6 166
Rental and hiring	7 612	7 816	10 970	9 829	10 829	10 829	11 627	7 044	9 734
Interest and rent on land	-	35	22	-	-	-	-	-	-
Interest	-	35	22	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	297 265	331 783	290 459	252 243	249 948	249 948	337 212	341 635	347 165
Provinces and municipalities	224 629	273 527	231 797	210 582	201 009	201 009	270 790	276 235	280 985
Provinces	128	80	193	190	190	190	200	210	221
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	128	80	193	190	190	190	200	210	221
Municipalities	224 501	273 447	231 604	210 392	200 819	200 819	270 590	276 025	280 764
Municipalities	224 501	273 447	231 604	210 392	200 819	200 819	270 590	276 025	280 764
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	24 635	11 350	11 569	4 805	10 305	10 305	28 400	27 500	27 610
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	24 635	11 350	11 569	4 805	10 305	10 305	28 400	27 500	27 610
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	24 635	11 350	11 569	4 805	10 305	10 305	28 400	27 500	27 610
Non-profit institutions	38 764	37 696	36 583	27 682	29 093	29 093	28 165	27 492	27 589
Households	1 792	1 423	2 723	1 000	1 367	1 367	1 200	1 267	1 337
Social benefits	1 785	1 423	2 120	-	367	367	-	-	-
Other transfers to households	7	-	603	1 000	1 000	1 000	1 200	1 267	1 337
Payments for capital assets	70 923	66 845	95 796	157 136	122 457	122 457	174 466	177 246	142 271
Buildings and other fixed structures	54 014	57 971	83 151	151 864	109 803	109 803	166 324	168 872	133 656
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	83 151	-	-	-	-	-	-
Machinery and equipment	16 726	8 874	12 645	5 272	12 654	12 654	8 142	8 374	8 615
Transport equipment	4 929	3 420	3 884	842	742	342	-	-	-
Other machinery and equipment	11 797	5 454	8 761	4 430	11 912	12 312	8 142	8 374	8 615
Heritage assets	183	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	3 830	4 774	-	-	-	-	-	-
Total	710 027	763 542	793 339	874 068	838 814	838 814	962 571	975 808	1 000 439
Unauth. Exp. (1st charge) not available for spending	-	(3 830)	(3 830)	-	-	-	-	-	-
Baseline available for spending after 1st charge	710 027	759 712	789 509	874 068	838 814	838 814	962 571	975 808	1 000 439

Table 15.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	110 966	117 908	135 028	147 965	146 055	146 055	150 998	151 557	171 402
Compensation of employees	59 008	64 761	69 197	80 341	75 167	75 167	84 525	90 846	101 352
Salaries and wages	52 114	56 904	61 199	70 529	65 355	65 355	74 107	79 035	88 176
Social contributions	6 894	7 857	7 998	9 812	9 812	9 812	10 418	11 811	13 176
Goods and services	51 958	53 112	65 820	67 624	70 888	70 888	66 473	60 711	70 050
Administrative fees	550	860	732	1 536	1 536	1 536	294	311	330
Advertising	1 483	5 707	3 495	3 261	3 261	3 261	3 115	1 249	1 959
Minor assets	288	119	139	724	724	724	751	794	847
Audit cost: External	3 110	3 192	4 229	4 425	4 425	4 425	4 240	4 539	4 789
Bursaries: Employees	208	65	553	221	221	221	232	245	258
Catering: Departmental activities	501	241	252	372	372	372	390	412	435
Communication (G&S)	1 997	2 281	2 768	4 034	4 034	4 034	3 381	3 571	3 767
Computer services	5 213	2 334	9 945	5 778	5 778	5 778	7 862	9 934	10 480
Cons. and prof. serv.: Business and advisory services	612	15	1 089	2 144	2 144	2 144	909	660	686
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	75	311	1 678	210	210	210	221	233	246
Contractors	2 789	1 597	1 088	3 368	3 368	3 368	3 537	1 035	1 092
Agency and support / outsourced services	669	277	118	518	518	518	388	410	432
Entertainment	159	24	52	203	203	203	213	225	237
Fleet services (including government motor transport)	3 460	3 724	4 247	933	2 433	2 433	1 378	955	2 129
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	333	95	661	434	434	434	457	509	637
Consumable: Stationery, printing and office supplies	1 207	1 164	2 042	1 824	1 824	1 824	1 166	732	1 300
Operating leases	11 685	10 282	11 114	13 050	13 050	13 050	13 444	12 393	13 218
Property payments	6 817	8 389	9 198	11 960	11 960	11 960	11 540	11 636	12 376
Transport provided: Departmental activity	607	556	29	387	778	778	399	221	444
Travel and subsistence	8 342	10 340	7 696	8 453	9 826	9 826	9 173	7 395	9 901
Training and development	498	1 037	3 761	2 401	2 401	2 401	2 708	2 494	3 159
Operating payments	282	296	473	403	403	403	422	445	469
Venues and facilities	90	-	8	121	121	121	129	137	145
Rental and hiring	983	206	453	864	864	864	124	176	714
Interest and rent on land	-	35	11	-	-	-	-	-	-
Interest	-	35	11	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 453	866	3 019	1 190	1 414	1 414	1 400	1 477	1 558
Provinces and municipalities	128	80	193	190	190	190	200	210	221
Provinces	128	80	193	190	190	190	200	210	221
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	128	80	193	190	190	190	200	210	221
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2 900	250	650	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	2 900	250	650	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	2 900	250	650	-	-	-	-	-	-
Non-profit institutions	220	220	220	-	-	-	-	-	-
Households	205	316	1 956	1 000	1 224	1 224	1 200	1 267	1 337
Social benefits	205	316	1 353	-	224	224	-	-	-
Other transfers to households	-	-	603	1 000	1 000	1 000	1 200	1 267	1 337
Payments for capital assets	1 897	2 127	1 633	232	1 918	1 918	269	284	300
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 897	2 127	1 633	232	1 918	1 918	269	284	300
Transport equipment	963	1 543	490	-	-	-	-	-	-
Other machinery and equipment	934	584	1 143	232	1 918	1 918	269	284	300
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	3 830	4 774	-	-	-	-	-	-
Total	116 316	124 731	144 454	149 387	149 387	149 387	152 667	153 318	173 260
Unauth. Exp. (1st charge) not available for spending	-	(3 830)	(3 830)	-	-	-	-	-	-
Baseline available for spending after 1st charge	116 316	120 901	140 624	149 387	149 387	149 387	152 667	153 318	173 260

Table 15.D : Payments and estimates by economic classification: Cultural Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	102 552	116 687	132 217	172 092	162 387	162 387	156 123	148 482	170 639
Compensation of employees	51 041	56 224	65 653	73 145	67 423	67 423	74 524	78 398	86 925
Salaries and wages	44 449	48 689	56 838	63 503	57 781	57 781	64 493	68 143	75 835
Social contributions	6 592	7 535	8 815	9 642	9 642	9 642	10 031	10 255	11 090
Goods and services	51 511	60 463	66 559	98 947	94 964	94 964	81 599	70 084	83 714
Administrative fees	539	742	555	190	190	190	198	208	218
Advertising	295	1 524	1 776	2 476	2 476	2 476	1 183	1 249	1 681
Minor assets	2 432	501	270	2 554	854	854	1 406	1 432	1 564
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	176	536	37	1 471	1 471	1 471	1 181	1 161	2 111
Communication (G&S)	1 142	1 208	1 420	1 320	1 320	1 320	1 371	1 453	1 690
Computer services	44	-	561	1 036	136	136	43	62	65
Cons. and prof. serv.: Business and advisory services	497	413	475	1 851	1 851	1 851	2 043	2 149	3 365
Infrastructure and planning	-	-	-	-	-	-	250	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	10 486	10 300	13 379	13 372	13 108	13 108	9 215	9 685	10 987
Agency and support / outsourced services	6 557	9 604	9 670	21 123	19 843	19 843	13 871	14 852	16 851
Entertainment	31	9	11	46	46	46	46	48	50
Fleet services (including government motor transport)	593	708	697	1 373	1 373	1 373	1 408	1 488	1 570
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	1	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	3 128	2 825	3 469	7 401	7 201	7 201	6 205	5 016	5 353
Consumable: Stationery, printing and office supplies	1 319	1 046	1 704	2 066	1 266	1 266	1 644	1 737	2 183
Operating leases	195	135	1 133	482	482	482	498	525	554
Property payments	1 374	1 240	1 425	985	985	985	776	820	866
Transport provided: Departmental activity	6 323	10 880	9 400	14 458	15 494	15 494	16 199	13 466	14 463
Travel and subsistence	9 371	10 329	9 287	9 268	8 709	8 709	8 425	7 004	7 271
Training and development	8	427	802	92	92	92	94	99	105
Operating payments	406	431	670	342	226	226	357	378	399
Venues and facilities	199	-	78	8 633	8 433	8 433	4 764	1 523	4 547
Rental and hiring	6 396	7 605	9 739	8 408	9 408	9 408	10 422	5 729	7 821
Interest and rent on land	-	-	5	-	-	-	-	-	-
Interest	-	-	5	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	75 309	64 879	61 636	49 533	55 971	55 971	78 320	81 591	74 723
Provinces and municipalities	9 910	10 729	9 670	11 469	10 869	10 869	15 898	19 349	11 868
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	9 910	10 729	9 670	11 469	10 869	10 869	15 898	19 349	11 868
Municipalities	9 910	10 729	9 670	11 469	10 869	10 869	15 898	19 349	11 868
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	7 445	7 787	7 787	8 174	8 174	8 174	8 657	9 141	9 644
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	21 735	11 100	10 919	4 805	10 305	10 305	28 400	27 500	27 610
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	21 735	11 100	10 919	4 805	10 305	10 305	28 400	27 500	27 610
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	21 735	11 100	10 919	4 805	10 305	10 305	28 400	27 500	27 610
Non-profit institutions	35 353	34 359	33 034	25 085	26 496	26 496	25 365	25 601	25 601
Households	866	904	226	-	127	127	-	-	-
Social benefits	859	904	226	-	127	127	-	-	-
Other transfers to households	7	-	-	-	-	-	-	-	-
Payments for capital assets	15 066	14 523	23 266	41 725	16 741	16 741	21 046	21 189	12 860
Buildings and other fixed structures	5 247	11 282	19 512	40 883	14 703	14 703	19 500	19 561	11 142
Buildings	5 247	11 282	-	40 883	14 703	14 703	19 500	19 561	11 142
Other fixed structures	-	-	19 512	-	-	-	-	-	-
Machinery and equipment	9 636	3 241	3 754	842	2 038	2 038	1 546	1 628	1 718
Transport equipment	793	1 389	2 410	842	742	342	-	-	-
Other machinery and equipment	8 843	1 852	1 344	-	1 296	1 696	1 546	1 628	1 718
Heritage assets	183	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	192 927	196 089	217 119	263 350	235 099	235 099	255 489	251 262	258 222

Table 15.E : Payments and estimates by economic classification: Library and Archive Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	128 309	126 489	135 065	144 632	157 967	157 967	143 772	156 888	168 962
Compensation of employees	56 258	60 596	63 550	74 454	72 469	72 469	74 459	80 513	86 964
Salaries and wages	48 565	51 618	53 631	64 776	62 981	62 981	65 223	70 345	75 984
Social contributions	7 693	8 978	9 919	9 678	9 488	9 488	9 236	10 168	10 980
Goods and services	72 051	65 893	71 509	70 178	85 498	85 498	69 313	76 375	81 998
Administrative fees	153	331	194	192	192	192	182	193	204
Advertising	473	1 456	2 264	313	313	313	378	399	420
Minor assets	36 520	31 256	33 076	30 932	46 402	46 402	27 579	36 347	36 789
Audit cost: External	-	-	-	-	-	-	170	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	422	153	125	1 451	1 451	1 451	388	558	589
Communication (G&S)	1 188	1 171	1 528	1 342	1 335	1 335	1 488	1 425	1 854
Computer services	8 053	12 191	12 176	11 717	11 717	11 717	11 820	12 422	13 549
Cons. and prof. serv.: Business and advisory services	8 990	189	-	175	175	175	181	173	182
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	890	1 104	3 389	2 496	2 496	2 496	2 251	1 539	2 908
Agency and support / outsourced services	361	248	744	616	616	616	606	796	838
Entertainment	-	9	36	15	15	15	15	17	18
Fleet services (including government motor transport)	726	1 348	824	498	498	498	525	556	586
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	19	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	150	158	165
Inventory: Materials and supplies	-	-	14	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	389	1 004	1 073	-	-	-	-	-	-
Consumable supplies	272	372	1 266	4 915	4 915	4 915	5 588	4 912	5 681
Consumable: Stationery, printing and office supplies	5 629	5 455	5 429	4 501	4 501	4 501	5 312	3 870	4 227
Operating leases	330	361	333	696	696	696	731	775	818
Property payments	1 783	1 625	4 358	2 942	2 942	2 942	2 584	2 734	2 884
Transport provided: Departmental activity	137	165	716	232	232	232	612	643	675
Travel and subsistence	3 538	3 986	2 527	2 203	2 060	2 060	2 411	3 758	3 965
Training and development	143	1 295	223	661	661	661	1 290	1 359	1 431
Operating payments	182	772	397	1 611	1 611	1 611	1 382	1 462	1 542
Venues and facilities	1 639	1 397	20	2 113	2 113	2 113	2 589	1 140	1 474
Rental and hiring	233	5	778	557	557	557	1 081	1 139	1 199
Interest and rent on land	-	-	6	-	-	-	-	-	-
Interest	-	-	6	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	218 503	266 038	225 804	201 520	192 563	192 563	257 492	258 567	270 884
Provinces and municipalities	214 591	262 718	221 934	198 923	189 950	189 950	254 692	256 676	268 896
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	214 591	262 718	221 934	198 923	189 950	189 950	254 692	256 676	268 896
Municipalities	214 591	262 718	221 934	198 923	189 950	189 950	254 692	256 676	268 896
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	3 191	3 117	3 329	2 597	2 597	2 597	2 800	1 891	1 988
Households	721	203	541	-	16	16	-	-	-
Social benefits	721	203	541	-	16	16	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	53 960	50 195	70 897	115 179	103 798	103 798	153 151	155 773	129 111
Buildings and other fixed structures	48 767	46 689	63 639	110 981	95 100	95 100	146 824	149 311	122 514
Buildings	48 767	46 689	-	110 981	95 100	95 100	146 824	149 311	122 514
Other fixed structures	-	-	63 639	-	-	-	-	-	-
Machinery and equipment	5 193	3 506	7 258	4 198	8 698	8 698	6 327	6 462	6 597
Transport equipment	3 173	488	984	-	-	-	-	-	-
Other machinery and equipment	2 020	3 018	6 274	4 198	8 698	8 698	6 327	6 462	6 597
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total	400 784	442 722	431 766	461 331	454 328	454 328	554 415	571 228	568 957

Table 15.F : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	40 459	39 122	50 128	47 881	63 351	63 351	45 176	52 213	49 990
Compensation of employees	4 245	4 789	7 344	10 430	10 430	10 430	9 863	8 523	9 214
Salaries and wages	3 754	4 363	6 259	9 074	9 074	9 074	8 841	7 418	8 021
Social contributions	491	426	1 085	1 356	1 356	1 356	1 022	1 105	1 193
Goods and services	36 214	34 333	42 784	37 451	52 921	52 921	35 313	43 690	40 776
Administrative fees	34	1	37	20	20	20	10	11	12
Advertising	34	863	524	10	10	10	60	63	66
Minor assets	26 254	18 965	21 982	21 551	37 021	37 021	20 633	28 276	24 536
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	157	42	40	200	200	200	40	42	44
Communication (G&S)	-	-	66	-	-	-	-	-	-
Computer services	7 968	12 099	12 176	10 700	10 700	10 700	10 751	11 288	11 853
Cons. and prof. serv.: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	132	1 592	4 042	2 300	2 300	2 300	100	105	165
Agency and support / outsourced services	185	40	388	280	280	280	400	420	441
Entertainment	-	-	13	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	150	158	165
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	23	23	82	-	-	-	50	53	55
Operating leases	104	80	13	1 000	1 000	1 000	1 000	1 050	1 102
Property payments	-	-	4	-	-	-	-	-	-
Transport provided: Departmental activity	630	457	1 517	500	500	500	-	-	-
Travel and subsistence	37	150	698	200	200	200	579	608	638
Training and development	304	5	316	200	200	200	250	262	276
Operating payments	119	-	124	90	90	90	690	724	761
Venues and facilities	7	16	-	300	300	300	-	-	-
Rental and hiring	226	-	762	100	100	100	600	630	662
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	19 600	53 249	58 512	42 323	32 231	32 231	59 527	50 704	57 082
Provinces and municipalities	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Municipalities	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	3 191	3 117	3 329	2 597	2 597	2 597	2 800	1 891	1 988
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	48 369	41 802	69 558	84 889	89 389	89 389	71 694	81 000	87 000
Buildings and other fixed structures	45 379	39 388	63 469	82 889	82 889	82 889	67 694	77 000	83 000
Buildings	45 379	39 388	63 469	82 889	82 889	82 889	67 694	77 000	83 000
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 990	2 414	6 089	2 000	6 500	6 500	4 000	4 000	4 000
Transport equipment	1 246	-	626	2 000	6 500	6 500	4 000	4 000	4 000
Other machinery and equipment	1 744	2 414	5 463	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	108 428	134 173	178 198	175 093	184 971	184 971	176 397	183 917	194 072

Table 15.G : Payments and estimates by economic classification: Community Library Services grant (Prog 3: Library and Archive Services)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	40 459	37 722	48 128	45 881	61 351	61 351	43 176	52 213	49 990
Compensation of employees	4 245	4 789	7 344	10 430	10 430	10 430	7 863	8 523	9 214
Salaries and wages	3 754	4 363	6 259	9 074	9 074	9 074	6 841	7 418	8 021
Social contributions	491	426	1 085	1 356	1 356	1 356	1 022	1 105	1 193
Goods and services	36 214	32 933	40 784	35 451	50 921	50 921	35 313	43 690	40 776
Administrative fees	34	1	37	20	20	20	10	11	12
Advertising	34	863	524	10	10	10	60	63	66
Minor assets	26 254	18 965	21 982	21 551	37 021	37 021	20 633	28 276	24 536
Catering: Departmental activities	157	42	40	200	200	200	40	42	44
Communication (G&S)	-	-	66	-	-	-	-	-	-
Computer services	7 968	12 099	12 176	10 700	10 700	10 700	10 751	11 288	11 853
Contractors	132	192	2 042	300	300	300	100	105	165
Agency and support / outsourced services	185	40	388	280	280	280	400	420	441
Entertainment	-	-	13	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	150	158	165
Consumable: Stationery, printing and office supplies	23	23	82	-	-	-	50	53	55
Operating leases	104	80	13	1 000	1 000	1 000	1 000	1 050	1 102
Property payments	-	-	4	-	-	-	-	-	-
Transport provided: Departmental activity	630	457	1 517	500	500	500	-	-	-
Travel and subsistence	37	150	698	200	200	200	579	608	638
Training and development	304	5	316	200	200	200	250	262	276
Operating payments	119	-	124	90	90	90	690	724	761
Venues and facilities	7	16	-	300	300	300	-	-	-
Transfers and subsidies	19 600	53 249	58 512	42 323	32 231	32 231	59 527	50 704	57 082
Provinces and municipalities	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Municipalities	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Municipalities	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094
Non-profit institutions	3 191	3 117	3 329	2 597	2 597	2 597	2 800	1 891	1 988
Payments for capital assets	48 369	41 802	69 558	84 889	89 389	89 389	71 694	81 000	87 000
Buildings and other fixed structures	45 379	39 388	63 469	82 889	82 889	82 889	67 694	77 000	83 000
Buildings	45 379	39 388	63 469	82 889	82 889	82 889	67 694	77 000	83 000
Machinery and equipment	2 990	2 414	6 089	2 000	6 500	6 500	4 000	4 000	4 000
Transport equipment	1 246	-	626	2 000	6 500	6 500	4 000	4 000	4 000
Other machinery and equipment	1 744	2 414	5 463	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	108 428	132 773	176 198	173 093	182 971	182 971	174 397	183 917	194 072

Table 15.H : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 2: Cultural Affairs)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	-	1 400	2 000	2 000	2 000	2 000	2 000	-	-
Compensation of employees	-	-	-	-	-	-	2 000	-	-
Salaries and wages	-	-	-	-	-	-	2 000	-	-
Goods and services	-	1 400	2 000	2 000	2 000	2 000	-	-	-
Contractors	-	1 400	2 000	2 000	2 000	2 000	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	1 400	2 000	2 000	2 000	2 000	2 000	-	-

Table 15.I : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
A KZN2000 eThekweni	119 205	160 534	102 416	73 563	72 563	72 563	87 212	91 573	91 725
Total: Ugu Municipalities	13 393	14 474	14 734	18 204	18 204	18 204	22 730	23 948	25 234
B KZN212 uMdoni	4 658	4 939	5 019	6 141	6 141	6 141	8 539	9 003	9 493
B KZN213 uMzombe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	661	723	738	771	771	771	1 591	1 686	1 787
B KZN216 Ray Nkonyeni	8 074	8 812	8 977	11 292	11 292	11 292	12 600	13 259	13 954
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	29 959	31 946	28 010	30 078	29 973	30 478	34 915	36 708	38 610
B KZN221 uMshwathi	811	877	894	932	932	932	2 711	2 851	2 998
B KZN222 uMngeni	2 903	3 142	3 201	3 333	3 333	3 333	3 938	4 144	4 361
B KZN223 Mpofana	1 012	1 094	1 122	1 489	1 489	1 489	2 065	2 173	2 287
B KZN224 iMpendle	661	723	738	932	932	932	1 873	1 971	2 074
B KZN225 Msunduzi	23 080	23 989	19 896	21 135	21 030	21 535	20 000	21 004	22 075
B KZN226 Mkhambathini	681	1 244	1 265	1 325	1 325	1 325	1 617	1 714	1 817
B KZN227 Richmond	811	877	894	932	932	932	2 711	2 851	2 998
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	8 570	9 506	9 682	10 094	10 094	10 094	20 224	24 042	16 909
B KZN235 Okhahlamba	997	1 076	1 103	1 152	1 152	1 152	2 647	2 796	2 954
B KZN237 iNkosi Langalibalele	3 189	3 554	3 297	3 785	3 785	3 785	10 987	14 298	6 628
B KZN238 Alfred Duma	4 384	4 876	4 773	5 157	5 157	5 157	6 590	6 948	7 327
C DC23 uThukela District Municipality	-	-	509	-	-	-	-	-	-
Total: uMzinyathi Municipalities	6 719	6 936	6 069	8 476	10 503	10 503	11 103	11 720	12 374
B KZN241 eDumeni	3 564	3 507	4 083	4 287	4 287	4 287	4 743	5 000	5 273
B KZN242 Nquthu	1 362	1 488	-	2 117	4 144	4 144	3 234	3 428	3 634
B KZN244 uMsinga	681	744	760	795	795	795	1 061	1 119	1 180
B KZN245 uMvoti	1 112	1 197	1 226	1 277	1 277	1 277	2 065	2 173	2 287
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	6 902	7 900	23 467	19 379	8 379	8 379	20 819	10 342	12 874
B KZN252 Newcastle	5 580	6 454	21 991	17 837	6 837	6 837	18 749	8 160	9 592
B KZN253 eMadlangeni	661	723	738	771	771	771	1 035	1 091	1 150
B KZN254 Dannhauser	661	723	738	771	771	771	1 035	1 091	2 132
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	8 401	9 148	9 874	10 248	10 248	10 248	13 656	14 315	15 011
B KZN261 eDumbe	981	1 052	1 073	1 118	1 118	1 118	2 770	2 931	3 101
B KZN262 uPhongolo	1 046	1 313	1 323	1 378	1 378	1 378	2 070	2 182	2 300
B KZN263 Abaqulusi	3 103	3 295	3 860	4 052	4 052	4 052	4 253	4 486	4 732
B KZN265 Nongoma	661	723	738	771	771	771	1 591	1 686	1 787
B KZN266 Ulundi	881	950	969	1 018	1 018	1 018	1 061	1 119	1 180
C DC26 Zululand District Municipality	1 729	1 815	1 911	1 911	1 911	1 911	1 911	1 911	1 911
Total: uMkhanyakude Municipalities	7 937	6 955	7 251	8 847	9 352	8 847	15 252	16 177	18 156
B KZN271 uMhlabyalingana	1 476	1 566	1 592	1 657	1 657	1 657	3 398	3 603	3 820
B KZN272 Jozini	926	997	1 016	1 938	2 443	1 938	5 787	6 176	6 591
B KZN275 Mtubatuba	3 954	2 718	2 763	3 278	3 278	3 278	3 441	3 621	4 808
B KZN276 Big Five Hlabisa	1 581	1 674	1 880	1 974	1 974	1 974	2 626	2 777	2 937
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	13 227	14 874	16 698	17 484	17 484	17 484	23 323	24 633	26 021
B KZN281 uMfolozi	661	723	1 922	2 007	2 007	2 007	2 626	2 777	2 937
B KZN282 uMhlathuze	7 113	8 145	9 113	9 568	9 568	9 568	10 043	10 579	11 145
B KZN284 uMlalazi	3 572	4 007	3 682	3 837	3 837	3 837	4 978	5 236	5 510
B KZN285 Mthonjaneni	661	723	738	771	771	771	1 035	1 091	1 150
B KZN286 Nkandla	685	723	1 243	1 301	1 301	1 301	4 641	4 950	5 279
C DC28 King Cetshwayo District Municipality	535	553	-	-	-	-	-	-	-
Total: iLembe Municipalities	5 682	6 278	7 419	7 756	7 756	7 756	12 614	13 328	14 085
B KZN291 Mandeni	1 798	1 964	2 513	2 639	2 639	2 639	3 661	3 868	4 087
B KZN292 KwaDukuza	3 203	3 570	3 641	3 792	3 792	3 792	5 811	6 114	6 435
B KZN293 Ndwedwe	681	744	1 265	1 325	1 325	1 325	1 617	1 714	1 817
B KZN294 Maphumulo	-	-	-	-	-	-	1 525	1 632	1 746
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	4 506	4 896	5 984	6 263	6 263	6 263	8 742	9 239	9 765
B KZN433 Greater Kokstad	1 522	1 654	1 687	1 758	1 758	1 758	2 070	2 182	2 300
B KZN434 uBuhlebezwe	661	723	738	771	771	771	1 591	1 686	1 787
B KZN435 uMzimkhulu	681	744	1 265	1 325	1 325	1 325	1 617	1 714	1 817
B KZN436 Dr Nkosazana Dlamini Zuma	1 642	1 775	2 294	2 409	2 409	2 409	3 464	3 657	3 861
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	224 501	273 447	231 604	210 392	200 819	200 819	270 590	276 025	280 764

Table 15.J : Transfers to local government - Museum subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	4 133	4 390	4 623	4 854	4 854	4 854	5 097	5 352	5 646
Total: Ugu Municipalities	302	317	334	350	350	350	368	386	407
B KZN216 Ray Nkonyeni	302	317	334	350	350	350	368	386	407
Total: uMgungundlovu Municipalities	1 164	712	350	786	1 186	1 186	825	867	914
B KZN222 uMngeni	151	166	175	183	183	183	192	202	213
B KZN223 Mpofana	151	166	175	183	183	183	192	202	213
B KZN225 Msunduzi	862	380	-	420	820	820	441	463	488
Total: uThukela Municipalities	604	649	684	716	716	716	752	790	833
B KZN235 Okhahlamba	151	166	175	183	183	183	192	202	213
B KZN237 iNkosi Langalibalele	302	317	-	350	350	350	368	386	407
B KZN238 Alfred Duma	151	166	-	183	183	183	192	202	213
C DC23 uThukela District Municipality	-	-	509	-	-	-	-	-	-
Total: uMzinyathi Municipalities	763	546	575	603	603	603	633	665	701
B KZN241 eNdameni	612	380	400	420	420	420	441	463	488
B KZN245 uMvoti	151	166	175	183	183	183	192	202	213
Total: Amajuba Municipalities	302	317	334	350	350	350	368	386	407
B KZN252 Newcastle	302	317	334	350	350	350	368	386	407
Total: Zululand Municipalities	151	166	175	183	183	183	192	202	213
B KZN263 Abaqulusi	151	166	175	183	183	183	192	202	213
Total: King Cetshwayo Municipalities	611	879	509	533	533	533	560	588	622
B KZN282 uMhlathuze	151	166	175	183	183	183	192	202	214
B KZN284 uMlalazi	460	713	334	350	350	350	368	386	408
Total: iLembe Municipalities	151	166	175	183	183	183	192	202	214
B KZN292 KwaDukuza	151	166	175	183	183	183	192	202	214
Unallocated	-	-	-	-	-	-	-	-	-
Total	8 181	8 142	7 759	8 558	8 958	8 958	8 987	9 438	9 957

Table 15.K : Transfers to local government - Operational costs at art centres

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	-	772	-	1 000	-	-	-	-	-
Total: Zululand Municipalities	1 729	1 815	1 911	1 911	1 911	1 911	1 911	1 911	1 911
C DC26 Zululand District Municipality	1 729	1 815	1 911	1 911	1 911	1 911	1 911	1 911	1 911
Unallocated	-	-	-	-	-	-	-	-	-
Total	1 729	2 587	1 911	2 911	1 911	1 911	1 911	1 911	1 911

Table 15.L : Transfers to local government - Ladysmith Black Mambazo Music Academy

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Total: uThukela Municipalities	-	-	-	-	-	-	5 000	8 000	-
B KZN238 Alfred Duma	-	-	-	-	-	-	5 000	8 000	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	5 000	8 000	-

Table 15.M : Transfers to local government - Provincialisation of libraries

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	109 322	119 622	76 738	61 333	61 333	61 333	75 420	79 191	78 697
Total: Ugu Municipalities	11 950	12 331	12 477	14 959	14 959	14 959	18 436	19 358	20 326
B KZN212 uMdoni	4 280	4 429	4 482	4 706	4 706	4 706	6 704	7 039	7 391
B KZN214 uMuziwabantu	535	553	559	583	583	583	838	880	924
B KZN216 Ray Nkonyeni	7 135	7 349	7 436	9 670	9 670	9 670	10 894	11 439	12 011
Total: uMgungundlovu Municipalities	27 475	28 971	25 299	26 810	26 810	26 810	31 486	33 056	34 709
B KZN221 uMshwathi	685	707	715	744	744	744	2 514	2 640	2 772
B KZN222 uMngeni	2 500	2 636	2 668	2 774	2 774	2 774	3 352	3 520	3 696
B KZN223 Mpofana	735	758	768	1 118	1 118	1 118	1 676	1 760	1 848
B KZN224 iMpendle	535	553	559	744	744	744	1 676	1 760	1 848
B KZN225 Msunduzi	21 800	23 057	19 315	20 103	20 103	20 103	18 916	19 856	20 849
B KZN226 Mkhambathini	535	553	559	583	583	583	838	880	924
B KZN227 Richmond	685	707	715	744	744	744	2 514	2 640	2 772
Total: uThukela Municipalities	7 170	7 434	7 522	7 826	7 826	7 826	11 732	12 318	12 934
B KZN235 Okhahlamba	700	719	727	757	757	757	1 676	1 760	1 848
B KZN237 iNkosi Langalibalele	2 635	2 727	2 760	2 871	2 871	2 871	5 028	5 279	5 543
B KZN238 Alfred Duma	3 835	3 988	4 035	4 198	4 198	4 198	5 028	5 279	5 543
Total: uMzinyathi Municipalities	5 140	5 307	4 251	5 613	6 732	6 732	7 542	7 920	8 316
B KZN241 eNdumeni	2 700	2 787	2 820	2 961	2 961	2 961	3 352	3 520	3 696
B KZN242 Nquthu	1 070	1 106		1 163	2 282	2 282	1 676	1 760	1 848
B KZN244 uMsinga	535	553	559	583	583	583	838	880	924
B KZN245 uMvoti	835	861	872	906	906	906	1 676	1 760	1 848
Total: Amajuba Municipalities	5 970	6 733	6 813	7 089	7 089	7 089	7 910	8 306	8 721
B KZN252 Newcastle	4 900	5 627	5 695	5 923	5 923	5 923	6 234	6 546	6 873
B KZN253 eMadlangeni	535	553	559	583	583	583	838	880	924
B KZN254 Dannhauser	535	553	559	583	583	583	838	880	924
Total: Zululand Municipalities	5 725	5 914	5 986	6 260	6 260	6 260	8 139	8 547	8 974
B KZN261 eDumbe	835	861	872	906	906	906	1 676	1 760	1 848
B KZN262 uPhongolo	920	952	965	1 002	1 002	1 002	1 676	1 760	1 848
B KZN263 Abaqulusi	2 700	2 789	2 822	2 963	2 963	2 963	3 111	3 267	3 430
B KZN265 Nongoma	535	553	559	583	583	583	838	880	924
B KZN266 Ulundi	735	759	768	806	806	806	838	880	924
Total: uMkhanyakude Municipalities	5 905	6 105	6 177	6 848	6 848	6 848	7 237	7 599	7 979
B KZN271 uMhlabyalingana	1 350	1 396	1 413	1 469	1 469	1 469	1 676	1 760	1 848
B KZN272 Jozini	800	827	837	879	879	879	838	880	924
B KZN275 Mtubatuba	2 300	2 378	2 405	2 902	2 902	2 902	3 047	3 199	3 359
B KZN276 Big Five Hlabisa	1 455	1 504	1 522	1 598	1 598	1 598	1 676	1 760	1 848
Total: King Cetshwayo Municipalities	11 060	11 434	12 651	13 235	13 235	13 235	15 817	16 609	17 439
B KZN281 uMfolozi	535	553	1 059	1 101	1 101	1 101	1 676	1 760	1 848
B KZN282 uMhlathuze	6 080	6 289	7 506	7 881	7 881	7 881	8 275	8 689	9 123
B KZN284 uMlalazi	2 840	2 933	2 968	3 087	3 087	3 087	4 190	4 400	4 620
B KZN285 Mthonjaneni	535	553	559	583	583	583	838	880	924
B KZN286 Nkandla	535	553	559	583	583	583	838	880	924
C DC28 King Cetshwayo District Municipality	535	553	-	-	-	-	-	-	-
Total: iLembe Municipalities	4 755	4 901	4 959	5 173	5 173	5 173	8 380	8 799	9 239
B KZN291 Mandeni	1 420	1 454	1 471	1 545	1 545	1 545	2 514	2 640	2 772
B KZN292 KwaDukuza	2 800	2 894	2 929	3 045	3 045	3 045	5 028	5 279	5 543
B KZN293 Ndwedwe	535	553	559	583	583	583	838	880	924
Total: Harry Gwala Municipalities	3 710	3 834	3 878	4 051	4 051	4 051	5 866	6 160	6 468
B KZN433 Greater Kokstad	1 270	1 314	1 329	1 382	1 382	1 382	1 676	1 760	1 848
B KZN434 uBuhlebezwe	535	553	559	583	583	583	838	880	924
B KZN435 uMzimkhulu	535	553	559	583	583	583	838	880	924
B KZN436 Dr Nkosazana Dlamini Zuma	1 370	1 414	1 431	1 503	1 503	1 503	2 514	2 640	2 772
Unallocated	-	-	-	-	-	-	-	-	-
Total	198 182	212 586	166 751	159 197	160 316	160 316	197 965	207 863	213 802

Table 15.N : Transfers to local government - Community Library Services grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
A KZN2000 eThekweni	5 750	35 750	21 055	6 376	6 376	6 376	6 695	7 030	7 382
Total: Ugu Municipalities	1 141	1 826	1 923	2 895	2 895	2 895	3 926	4 204	4 501
B KZN212 uMdoni	378	510	537	1 435	1 435	1 435	1 835	1 964	2 102
B KZN214 uMuziwabantu	126	170	179	188	188	188	753	806	863
B KZN216 Ray Nkonyeni	637	1 146	1 207	1 272	1 272	1 272	1 338	1 434	1 536
Total: uMgungundlovu Municipalities	1 320	2 263	2 361	2 482	1 977	2 482	2 604	2 785	2 987
B KZN221 uMshwathi	126	170	179	188	188	188	197	211	226
B KZN222 uMngeni	252	340	358	376	376	376	394	422	452
B KZN223 Mpofana	126	170	179	188	188	188	197	211	226
B KZN224 iMpindle	126	170	179	188	188	188	197	211	226
B KZN225 Msunduzi	418	552	581	612	107	612	643	685	738
B KZN226 Mkhambathini	146	691	706	742	742	742	779	834	893
B KZN227 Richmond	126	170	179	188	188	188	197	211	226
Total: uThukela Municipalities	796	1 423	1 476	1 552	1 552	1 552	2 740	2 934	3 142
B KZN235 Okhahlamba	146	191	201	212	212	212	779	834	893
B KZN237 iNkosi Langalibalele	252	510	537	564	564	564	591	633	678
B KZN238 Alfred Duma	398	722	738	776	776	776	1 370	1 467	1 571
Total: uMzinyathi Municipalities	816	1 083	1 243	2 260	3 168	3 168	2 928	3 135	3 357
B KZN241 eNdumeni	252	340	863	906	906	906	950	1 017	1 089
B KZN242 Nquthu	292	382		954	1 862	1 862	1 558	1 668	1 786
B KZN244 uMsinga	146	191	201	212	212	212	223	239	256
B KZN245 uMvoti	126	170	179	188	188	188	197	211	226
Total: Amajuba Municipalities	630	850	16 320	11 940	940	940	12 541	1 650	3 746
B KZN252 Newcastle	378	510	15 962	11 564	564	564	12 147	1 228	2 312
B KZN253 eMadlangeni	126	170	179	188	188	188	197	211	226
B KZN254 Dannhauser	126	170	179	188	188	188	197	211	1 208
Total: Zululand Municipalities	796	1 253	1 802	1 894	1 894	1 894	3 414	3 655	3 913
B KZN261 eDumbe	146	191	201	212	212	212	1 094	1 171	1 253
B KZN262 uPhongolo	126	361	358	376	376	376	394	422	452
B KZN263 AbaQulusi	252	340	863	906	906	906	950	1 017	1 089
B KZN265 Nongoma	126	170	179	188	188	188	753	806	863
B KZN266 Ulundi	146	191	201	212	212	212	223	239	256
Total: uMkhanyakude Municipalities	2 032	850	1 074	1 999	2 504	1 999	8 015	8 578	10 177
B KZN271 uMhlabyalingana	126	170	179	188	188	188	1 722	1 843	1 972
B KZN272 Jozini	126	170	179	1 059	1 564	1 059	4 949	5 296	5 667
B KZN275 Mtubatuba	1 654	340	358	376	376	376	394	422	1 449
B KZN276 Big Five Hlabisa	126	170	358	376	376	376	950	1 017	1 089
Total: King Cetshwayo Municipalities	1 556	2 561	3 538	3 716	3 716	3 716	6 946	7 436	7 960
B KZN281 uMfolozi	126	170	863	906	906	906	950	1 017	1 089
B KZN282 uMhlathuze	882	1 690	1 432	1 504	1 504	1 504	1 576	1 688	1 808
B KZN284 uMlalazi	272	361	380	400	400	400	420	450	482
B KZN285 Mthonjaneni	126	170	179	188	188	188	197	211	226
B KZN286 Nkandla	150	170	684	718	718	718	3 803	4 070	4 355
Total: iLembe Municipalities	776	1 211	2 285	2 400	2 400	2 400	4 042	4 327	4 632
B KZN291 Mandeni	378	510	1 042	1 094	1 094	1 094	1 147	1 228	1 315
B KZN292 KwaDukuza	252	510	537	564	564	564	591	633	678
B KZN293 Ndwedwe	146	191	706	742	742	742	779	834	893
B KZN294 Maphumulo	-	-	-	-	-	-	1 525	1 632	1 746
Total: Harry Gwala Municipalities	796	1 062	2 106	2 212	2 212	2 212	2 876	3 079	3 297
B KZN433 Greater Kokstad	252	340	358	376	376	376	394	422	452
B KZN434 uBuhlebezwe	126	170	179	188	188	188	753	806	863
B KZN435 uMzimkhulu	146	191	706	742	742	742	779	834	893
B KZN436 Dr Nkosazana Dlamini Zuma	272	361	863	906	906	906	950	1 017	1 089
Unallocated	-	-	-	-	-	-	-	-	-
Total	16 409	50 132	55 183	39 726	29 634	29 634	56 727	48 813	55 094