



VOTE 3
Cooperative Governance
and Traditional Affairs

ESTIMATES OF NATIONAL EXPENDITURE **2011**



national treasury

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Estimates of National Expenditure 2011

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The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on www.treasury.gov.za

Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



Lesetja Kganyago
Director-General: National Treasury

Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at www.treasury.gov.za.

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	Outcome 4: Decent employment through inclusive economic growth Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced
Housing and community amenities	Human Settlements [31], Water Affairs [38]	Outcome 4: Decent employment through inclusive economic growth Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: A responsive, accountable, effective and efficient local government system
Education	Basic Education [15], Higher Education and Training [17]	Outcome 1: Improved quality of basic education Outcome 5: A skilled and capable workforce to support an inclusive growth path
Health	Health [16]	Outcome 2: A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	Outcome 3: All people in South Africa are and feel safe Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Defence	Defence and Military Veterans [22]	Outcome 3: All people in South Africa are and feel safe Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	Outcome 9: A responsive, accountable, effective and efficient local government system Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship

The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

Savings realised per function over the medium term

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
Total	6 359 682	8 794 185	7 862 728	23 016 595

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

Major areas of savings and reprioritisation

Function	Savings identified	Savings redirected
Economic affairs	Non-core goods and services (R2 billion) Underperforming programmes (R1.3 billion)	Road maintenance (R950 million) Expansion of public transport infrastructure and system grant (R580 million) Rural development and land reform (R1.3 billion)
Housing and community amenities	Underperforming programmes (R600 million) Non-core goods and services (R478 million) Rescheduling of expenditure (R759 million) Expanded public works programme: Infrastructure (R688 million)	Completion of De Hoop Dam and a portion of bulk distribution system (R1 billion) Regional bulk infrastructure (R600 million) Expanded public works programme Social sector (R825 million)
Social protection	Non-essential items such as catering and consultation fees (R927 million)	Old age grants - means threshold increased (R280 million) Efficient and effective grant payment model (R535 million)
Public order and safety	Non-essential items (R555 million)	Anti-retroviral drugs for prisoners and additional police personnel (R465 million)
Defence	Non-core goods and services (R1.3 billion)	New remuneration dispensation (R1.3 billion)

In addition to the initial exercise, a further reduction of 0.3 per cent on the budgets of provincial and national departments was also effected; this yielded an additional R6 billion in savings.

Policy reserve

In line with the change to functional budgeting, the additional allocation made available through the national Budget framework was divided per function and a policy reserve was also retained. In the 2011 Budget process the policy reserve was created to fund key government priorities over the next three years. Including the initial identified savings of R1.4 billion that was not reprioritised and the R6 billion identified later, a policy reserve amounting to R33 billion was created. The table below shows how the policy reserve was allocated.

Allocation of the policy reserve

R thousand	2011/12	2012/13	2013/14	Total
For various functions				
Job creation and youth employment	2 000 000	3 000 000	4 000 000	9 000 000
Economic affairs				
Economic regulatory capacity	50 000	50 000	50 000	150 000
Green economy: allocated	200 000	–	–	200 000
: unallocated	–	300 000	500 000	800 000
Broadband information and communication technology: universal access	100 000	150 000	200 000	450 000
Rural development and farmer support	150 000	350 000	600 000	1 100 000
Public transport	200 000	400 000	600 000	1 200 000
Agro-Processing Competitiveness Fund	34 000	108 000	108 000	250 000
Khula Direct	55 000	–	–	55 000
Housing and community amenities				
Human settlement upgrading	200 000	400 000	600 000	1 200 000
Water infrastructure and quality	50 000	150 000	200 000	400 000
Education				
School infrastructure	700 000	1 500 000	2 300 000	4 500 000
Further education and training colleges expansion and National Students Financial Aid Scheme	1 949 990	2 714 188	3 075 595	7 739 773
Health				
Public health services	600 000	1 400 000	2 000 000	4 000 000
Public order and safety				
Police capacity and border control	100 000	400 000	900 000	1 400 000
Defence				
Border control	100 000	200 000	300 000	600 000
Total	6 488 990	11 122 188	15 433 595	33 044 773

The largest allocation from the policy reserve amounts to R9 billion and targets job creation and youth employment, which is allocated on the National Treasury vote. It will be allocated to line departments that provide proposals for projects that meet the objectives of the fund. Of the R1 billion allocation for the green economy, R800 million is currently unallocated to any specific vote but will be announced in the 2011 Budget

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

Additional allocations

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 percent) to provinces and R5.1 billion (5.4 percent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

Economic affairs

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

Transport

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

Energy and environmental protection

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

Industrial development

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

Agriculture, forestry, fisheries and land affairs

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs** vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

The allocations in the main Budget are detailed in the pages of this publication, with a high level overview provided in the summary tables below.

Summary tables

Table 1: Main budget framework 2007/08 to 2013/14

Table 2: Additional allocation to national votes 2011/12 to 2013/14

Table 3: Expenditure by national vote 2007/08 to 2013/14

Table 4: Expenditure by economic classification 2007/08 to 2013/14

Table 5: Amounts to be appropriated from the National Revenue Fund for 2011/12

Table 6a: Conditional grants to provinces 2007/08 to 2013/14

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Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14

Table 1 Main budget framework 2007/08 to 2013/14

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue (National Revenue Fund)							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment ¹	–	–	–	-2 900.0	–	–	–
Total revenue	560 795.1	608 795.5	579 679.0	666 562.7	729 857.6	806 418.2	904 313.7
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
Expenditure							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments ²	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets ²	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	–	–	–	–	40.0	330.0	530.0
Contingency reserve	–	–	–	–	4 090.4	11 405.4	23 375.2
Total expenditure	541 443.4	635 953.3	747 196.8	809 923.3	888 923.3	968 131.7	1 053 028.6
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
Budget deficit³	19 351.6	-27 157.8	-167 517.7	-143 360.6	-159 065.7	-161 713.5	-148 714.9
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
GDP	2 078 822.0	2 312 965.0	2 442 593.0	2 666 893.9	2 914 861.7	3 201 299.3	3 536 001.5

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

2. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

3. A positive number reflects a surplus and a negative number a deficit.

Table 2 Additional allocation to national votes 2011/12 to 2013/14¹

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
Central Government Administration	1 948.2	2 277.4	2 923.5	7 149.1
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
Financial and Administrative Services	4 067.9	4 190.0	5 261.1	13 519.0
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
Social Services	4 043.4	7 691.7	14 993.2	26 728.2
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
Justice, Crime Prevention and Security	3 740.6	5 760.1	7 583.9	17 084.7
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
Economic Services and Infrastructure	6 550.4	8 755.2	10 874.5	26 180.1
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
Total	20 350.6	28 674.3	41 636.1	90 661.1

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3 Expenditure by national vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Central Government Administration				
1 The Presidency	649.4	308.8	659.1	766.9
2 Parliament	849.8	1 071.5	1 009.0	1 201.6
3 Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4 Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5 International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6 Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7 Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8 Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
Financial and Administrative Services				
9 Government Communication and Information System	380.9	427.5	495.4	550.2
10 National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11 Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12 Public Service and Administration	609.6	630.6	670.8	658.7
13 Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
Social Services				
14 Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15 Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16 Health	13 578.6	16 424.5	19 168.6	23 132.5
17 Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18 Labour	1 431.5	1 507.2	1 698.7	1 835.8
19 Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20 Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
Justice, Crime Prevention and Security				
21 Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22 Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23 Independent Complaints Directorate	80.9	99.3	106.2	131.4
24 Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25 Police	36 525.9	41 635.2	47 662.5	53 529.7
Economic Services and Infrastructure				
26 Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27 Communications	1 911.8	2 328.6	2 301.9	2 138.0
28 Economic Development	245.1	220.4	314.6	449.8
29 Energy	2 229.8	2 961.7	3 690.9	5 648.7
30 Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31 Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32 Mineral Resources	717.5	768.3	853.8	995.8
33 Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34 Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35 Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36 Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37 Transport	19 155.9	28 161.7	28 664.0	30 380.8
38 Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
Total appropriation by vote	309 800.8	370 620.6	436 383.5	466 338.6
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
Members remuneration (Parliament)	240.7	304.2	398.8	392.7
State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
General fuel levy sharing with metros (National Treasury)	–	–	6 800.1	7 542.4
Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
Total direct charges against the National Revenue Fund	231 642.6	265 332.8	310 813.2	351 040.0
Unallocated	–	–	–	–
Contingency reserve	–	–	–	–
Projected underspending	–	–	–	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			
2010/11	2011/12	2012/13	2013/14	R million
				Central Government Administration
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				Financial and Administrative Services
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				Social Services
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				Economic Services and Infrastructure
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
459 919.7	499 480.9	538 380.2	578 700.1	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.6	4.8	5.1	5.3	President and Deputy President salary (The Presidency)
392.7	409.6	430.1	453.8	Members remuneration (Parliament)
66 570.4	76 578.7	90 807.7	104 036.2	State debt costs (National Treasury)
265 139.4	288 492.8	305 725.4	323 604.4	Provincial equitable share (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	General fuel levy sharing with metros (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	Skills levy and Setas (Higher Education and Training)
1 929.9	2 104.2	2 401.9	2 575.7	Judges and magistrates salaries (Justice and Constitutional Development)
350 003.5	385 312.0	418 016.1	450 423.3	Total direct charges against the National Revenue Fund
–	40.0	330.0	530.0	Unallocated
–	4 090.4	11 405.4	23 375.2	Contingency reserve
–	–	–	–	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 4 Expenditure by economic classification 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Current payments				
Compensation of employees	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
Goods and services	32 272.1	38 522.2	41 695.1	47 989.9
Interest and rent on land	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
Total current payments	141 389.1	157 770.1	174 259.2	204 346.3
Transfers and subsidies to:				
Provinces and municipalities	243 233.6	289 395.9	344 774.7	387 557.9
Provinces	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
Municipalities	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
Departmental agencies and accounts	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
Universities and technikons	12 004.1	13 897.7	15 443.5	17 576.1
Foreign governments and international organisations	935.6	1 010.6	1 366.4	1 357.1
Public corporations and private enterprises	19 485.7	20 188.1	21 704.6	20 492.5
Public corporations	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
Private enterprises	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
Non-profit institutions	1 006.7	1 222.2	1 220.3	1 470.9
Households	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
Total transfers and subsidies	391 929.9	458 702.2	532 182.3	582 807.0
Payments for capital assets				
Buildings and other fixed structures	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
Machinery and equipment	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
Heritage assets	-	0.1	0.2	-
Specialised military assets	-	-	83.1	19.0
Biological assets	10.6	2.7	2.1	2.0
Land and subsoil assets	27.4	49.0	83.9	0.1
Software and other intangible assets	187.7	198.3	193.2	40.8
Total payments for capital assets	7 018.5	8 508.4	9 202.2	9 336.2
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.2
Total	541 443.4	635 953.3	747 196.8	817 378.6
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			
2010/11	2011/12	2012/13	2013/14	R million
88 324.0	94 788.4	100 350.8	107 316.5	Current payments
				Compensation of employees
74 278.1	79 661.6	84 435.8	90 409.3	Salaries and wages
14 046.0	15 126.9	15 914.9	16 907.2	Social contributions
46 980.3	52 944.2	55 829.0	59 536.1	Goods and services
66 579.3	76 606.4	90 838.6	104 067.6	Interest and rent on land
66 578.5	76 605.4	90 837.4	104 066.4	Interest (Incl. interest on finance leases)
0.8	1.1	1.2	1.2	Rent on land
201 883.7	224 339.0	247 018.3	270 920.2	Total current payments
				Transfers and subsidies to:
384 334.3	428 131.5	457 512.2	486 602.9	Provinces and municipalities
323 080.3	357 928.6	380 449.6	404 251.4	Provinces
323 080.3	357 928.6	380 449.6	404 251.4	Provincial revenue funds
61 254.0	70 202.9	77 062.5	82 351.5	Municipalities
61 254.0	70 202.9	77 062.5	82 351.5	Municipal bank accounts
55 866.1	68 241.9	73 170.5	78 537.2	Departmental agencies and accounts
11.6	12.4	13.0	13.7	Social security funds
55 854.6	68 229.5	73 157.5	78 523.5	Departmental agencies (non-business entities)
17 571.1	19 365.4	20 766.7	21 953.2	Universities and technikons
1 358.2	1 463.4	1 723.6	1 830.5	Foreign governments and international organisations
20 459.5	23 642.9	25 011.7	25 561.1	Public corporations and private enterprises
18 180.6	20 434.1	21 742.4	22 063.1	Public corporations
9 836.7	9 879.4	9 997.1	8 896.9	Subsidies on products or production
8 343.9	10 554.7	11 745.4	13 166.3	Other transfers to public corporations
2 278.9	3 208.8	3 269.3	3 498.0	Private enterprises
1 813.5	2 718.2	2 663.9	2 856.4	Subsidies on products or production
465.4	490.6	605.4	641.6	Other transfers to private enterprises
1 461.7	1 500.4	1 874.8	2 099.0	Non-profit institutions
97 282.0	106 151.3	115 494.5	124 154.6	Households
91 514.5	101 279.1	110 239.7	118 596.5	Social benefits
5 767.5	4 872.3	5 254.9	5 558.1	Other transfers to households
578 332.9	648 496.9	695 554.1	740 738.6	Total transfers and subsidies
				Payments for capital assets
5 615.9	7 845.0	10 560.6	14 057.6	Buildings and other fixed structures
4 479.1	5 486.6	7 813.1	11 078.5	Buildings
1 136.8	2 358.3	2 747.6	2 979.1	Other fixed structures
3 144.0	3 302.7	3 202.5	3 344.4	Machinery and equipment
1 699.1	1 922.9	1 645.0	1 697.5	Transport equipment
1 444.9	1 379.8	1 557.5	1 646.9	Other machinery and equipment
0.0	-	-	-	Heritage assets
19.0	20.7	21.3	22.4	Specialised military assets
2.0	0.2	0.3	0.3	Biological assets
0.1	-	-	-	Land and subsoil assets
35.9	38.3	39.1	39.9	Software and other intangible assets
8 817.0	11 206.9	13 823.7	17 464.5	Total payments for capital assets
20 889.7	750.1	0.1	0.1	Payments for financial assets
809 923.3	884 792.9	956 396.3	1 029 123.4	Total
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12

		Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease
R million		2010/11	2011/12					
Central Government Administration								
1	The Presidency	706.8	417.5	387.8	14.5	–	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	–	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	–	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	–	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	–	3.0	–	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	–	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	–	117.9	20.2
Financial and Administrative Services								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	–	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	–	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	–	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	–	3 240.9	1 267.5
Social Services								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	–	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	–	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	–	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	–	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	–	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	–	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	–	802.7	-442.9
Justice, Crime Prevention and Security								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	–	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	–	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	–	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	–	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	–	58 061.5	5 505.1
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	–	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	–	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	–	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	–	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	–	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	–	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	–	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	–	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	–	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	–	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	–	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	–	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	–	9 936.2	1 939.6
Total		812 142.9	224 339.0	648 496.9	11 206.9	750.1	884 792.9	72 650.0

1. A positive number reflects an increase and a negative number a decrease.

Table 6a Conditional grants to provinces 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3 Cooperative Governance and Traditional Affairs	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7 Public Works	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
Financial and Administrative Services								
10 National Treasury	–	–	4 200.0	–	–	–	–	–
Social Services								
14 Arts and Culture	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15 Basic Education	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16 Health	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17 Higher Education and Training	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20 Sport and Recreation South Africa	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
Economic Services and Infrastructure								
26 Agriculture, Forestry and Fisheries	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31 Human Settlements	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37 Transport	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
Total	33 614.6	42 056.3	56 273.0	60 860.7	57 940.8	69 435.8	74 724.2	80 647.0

1. Detail provided in the Division of Revenue Act (2011).

Table 6b Conditional grants to municipalities 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3 Cooperative Governance and Traditional Affairs	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7 Public Works	–	–	100.5	623.0	551.4	679.6	665.7	779.5
Financial and Administrative Services								
10 National Treasury	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
Social Services								
20 Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
Economic Services and Infrastructure								
29 Energy	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31 Human Settlements	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37 Transport	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38 Water Affairs	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
Total	17 806.4	19 927.6	20 891.8	23 354.9	23 051.2	27 490.3	30 416.4	32 743.1

1. Detail provided in the Division of Revenue Act (2011).

Table 7 Training expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Central Government Administration							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	–	–	–	0.2	0.3	0.4	0.5
Financial and Administrative Services							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
Social Services							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
Justice, Crime Prevention and Security							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
Economic Services and Infrastructure							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	–	–	–	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	–
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
Total	1 421.9	1 595.3	1 801.5	2 021.3	2 069.6	2 164.4	2 277.3

Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Central Government Administration							
3 Cooperative Governance and Traditional Affairs	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4 Home Affairs	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5 International Relations and Cooperation	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7 Public Works	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
Financial and Administrative Services							
10 National Treasury	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
Social Services							
14 Arts and Culture	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15 Basic Education	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16 Health	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18 Labour	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20 Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	–	–	–
Justice, Crime Prevention and Security							
21 Correctional Services	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22 Defence and Military Veterans	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24 Justice and Constitutional Development	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25 Police	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
Economic Services and Infrastructure							
26 Agriculture, Forestry and Fisheries	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27 Communications	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29 Energy	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30 Environmental Affairs	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31 Human Settlements	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33 Rural Development and Land Reform	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34 Science and Technology	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36 Trade and Industry	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37 Transport	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38 Water Affairs	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
Total	49 206.1	56 185.0	64 530.2	74 837.7	86 457.1	96 781.5	104 206.1

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9 Personnel expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government and Administration								
1 The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2 Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3 Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4 Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5 International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6 Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7 Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8 Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
Financial and Administrative Services								
9 Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10 National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11 Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12 Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13 Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
Social Services								
14 Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15 Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16 Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17 Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18 Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19 Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20 Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
Justice, Crime Prevention and Security								
21 Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22 Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23 Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24 Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25 Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
Economic Services and Infrastructure								
26 Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27 Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28 Economic Development	–	–	7.9	57.7	33.7	79.2	91.8	96.5
29 Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30 Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31 Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32 Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33 Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34 Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35 Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36 Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37 Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38 Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
Total	56 221.9	64 819.2	75 276.3	88 740.8	88 324.0	94 788.4	100 350.8	107 316.5

Table 10 Departmental receipts per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
1 The Presidency	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2 Parliament	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3 Cooperative Governance and Traditional Affairs	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4 Home Affairs	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5 International Relations and Cooperation	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6 Performance Monitoring and Evaluation	–	–	–	–	–	–	–	–
7 Public Works	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8 Women, Children and People with Disabilities	–	–	–	–	–	–	–	–
Financial and Administrative Services								
9 Government Communication and Information System	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10 National Treasury	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11 Public Enterprises	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12 Public Service and Administration	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13 Statistics South Africa	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
Social Services								
14 Arts and Culture	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15 Basic Education	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16 Health	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17 Higher Education and Training	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18 Labour	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19 Social Development	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20 Sport and Recreation South Africa	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
Justice, Crime Prevention and Security								
21 Correctional Services	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22 Defence and Military Veterans	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23 Independent Complaints Directorate	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24 Justice and Constitutional Development	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25 Police	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
Economic Services and Infrastructure								
26 Agriculture, Forestry and Fisheries	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27 Communications	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28 Economic Development	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29 Energy	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30 Environmental Affairs	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31 Human Settlements	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32 Mineral Resources	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33 Rural Development and Land Reform	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34 Science and Technology	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35 Tourism	–	–	0.7	1.5	1.5	–	–	–
36 Trade and Industry	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37 Transport	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38 Water Affairs	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
Total departmental receipts as per Estimates of National Expenditure	11 657.1	11 950.7	7 291.9	8 025.3	7 057.5	5 122.8	6 401.5	6 932.4
Less: Parliament (retained departmental receipts)	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
Plus: Direct receipts into the National Revenue Fund (National Treasury) ²	1 020.9	–	1 000.0	–	600.0	–	–	–
Plus: South African Revenue Service departmental receipts collection	58.0	711.4	635.1	4 255.0	4 612.0	4 890.0	5 150.0	5 430.0
Total departmental receipts as per Budget Review	12 692.6	12 616.2	8 888.5	12 264.8	12 254.0	10 000.9	11 540.0	12 351.1

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the Appropriation Bill, which is tabled on the same day.

The main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the Appropriation Bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on www.treasury.gov.za. More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2011/12					2012/13	2013/14
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by a department for its operational requirements.

Transfers and subsidies are payments made by a department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in votes where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for under any programme on a particular vote and include, for example, state debt costs.

Total expenditure estimates are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

The last lines of the table provide accountability information: the vote's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or administrative functions, and corresponds with the aim stated in the Appropriation Bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the Appropriation Bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance. It should, however, contain key performance indicators that form part of the service delivery agreements.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the vote programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme				Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
Audited outcome								
R million	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2010 Budget estimate								

Economic classification

Current payments					
Economic classification item					
Economic classification item					
Transfers and subsidies					
Economic classification item					
Economic classification item					
Payments for capital assets					
Economic classification item					
Economic classification item					
Payments for financial assets					
Total					

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes any changes made to the appropriation voted in the main 2010 Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments were included in the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main Appropriation Bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates after consideration of savings, cost reduction and reprioritisation opportunities.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Personnel information

A brief summary of the personnel posts per programme by salary level is given.

Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services. The Ministry subprogramme includes spending on the ministerial and deputy ministerial offices.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2010 Budget estimate							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and, if applicable, an analysis of some of the more important items on the entity's balance sheet that relate to the key activities being carried out
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on www.treasury.gov.za appears at the end of each chapter together with a short description of what the entity does and its total budget.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

Details of approved establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the **number of personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided for within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training as a proportion of compensation of employees, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

A signed project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Unitary charge or fee refers to the total payment made to the private party for the provision of the various services.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Project monitoring cost is associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Departmental infrastructure refers to direct spending by a department on infrastructure assets which the department will own.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government institutions for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all expenditure and revenue tables a dash (-) indicates that information is unavailable or zero.

Cooperative Governance and Traditional Affairs

**National Treasury
Republic of South Africa**



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Vote 3

Cooperative Governance and Traditional Affairs

Budget summary

R thousand	2011/12					2012/13	2013/14
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	212 569	208 683	100	3 686	100	215 991	222 321
Policy, Research and Knowledge Management	46 006	39 046	–	6 960	–	47 581	50 190
Governance and Intergovernmental Relations	34 213 870	31 837	34 182 033	–	–	37 684 088	40 077 508
Disaster Response Management	821 172	43 028	775 000	3 144	–	558 003	594 256
Provincial and Municipal Government Systems	248 316	28 862	219 420	34	–	260 542	274 700
Infrastructure and Economic Development	12 307 878	278 535	12 023 743	5 600	–	14 986 206	15 804 884
Traditional Affairs	83 769	61 264	22 150	355	–	90 419	96 960
Total expenditure estimates	47 933 580	691 255	47 222 446	19 779	100	53 842 830	57 120 819
Executive authority	Minister of Cooperative Governance and Traditional Affairs						
Accounting officer	Director General of Cooperative Governance and Traditional Affairs						
Website address	www.cogta.gov.za						

Aim

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

Programme purposes

Programme 1: Administration

Purpose: Provide management, leadership and administration of the department.

Programme 2: Policy, Research and Knowledge Management

Purpose: Provide specialised support services to the department in the areas of research and knowledge management, policy formulation, monitoring and evaluation, and information, communication and business technologies.

Programme 3: Governance and Intergovernmental Relations

Purpose: Improve vertical and horizontal coordination and alignment between the three spheres of government. Promote public participation in governance through regulatory mechanisms. Provide oversight, intervention and support programmes to provinces, municipalities and associated institutions.

Programme 4: Disaster Response Management

Purpose: Promote an integrated and coordinated system of disaster risk management with special emphasis on prevention, mitigation and preparedness by national, provincial and municipal organs of state, statutory functionaries and other role players involved in disaster risk management and communities.

Programme 5: Provincial and Municipal Government Systems

Purpose: Provide oversight, support programmes and evidence based regulatory mechanisms for provincial, municipal government and associated institutions and facilitate effective development and service delivery.

Programme 6: Infrastructure and Economic Development

Purpose: Support provincial and local government programmes and systems for the promotion of economic and infrastructure development.

Programme 7: Traditional Affairs

Purpose: Promote and coordinate research and information management and the development of policies and legislation on traditional affairs. Coordinate institutional development and capacity building programmes to enhance efficiency and effectiveness within the institution of traditional affairs.

Strategic overview: 2007/08 – 2013/14

The function of the Department of Cooperative Governance and Traditional Affairs is to develop national policies and legislation relating to provinces and local government. It monitors the implementation of legislation relating to intergovernmental relations, local government administration and financial management, traditional leadership and governance, and disaster management.

The Department of Cooperative Governance and Traditional Affairs had an expanded mandate compared to that of its predecessor, the Department of Provincial and Local Government. The new department's main functions are strengthening coordination across the three spheres of government, supporting local and provincial government, improving regulatory compliance, and building capacity in traditional leadership institutions. It is also committed to working with partners, stakeholders and communities outside of government as a way of deepening cooperative governance in South Africa.

Outcomes and related outputs

In 2010, government introduced its approach to achieving results by identifying 12 outcomes. The Minister for Cooperative Governance and Traditional Affairs is responsible for achieving a responsive, accountable, effective and efficient local government system (outcome 9). The minister's delivery agreement reflects government's pledge to collectively 'work harder, faster and smarter' to develop South Africa. The performance areas in the delivery agreement reflect the department's determination to transcend the obstacles of the past and its commitment to a better future.

The basis for the agreement was the assessment based report on the state of local government, the subsequent 2009 local government turnaround strategy, and the local government 10-point plan, which articulates the key desired outcomes for a functional local government system in the context of current challenges. The local government assessment process clearly showed that all three spheres of government needed to become much more focused on the service delivery challenges in municipalities if the goals of transformation were to be achieved. The turnaround strategy comprised a phased, project approach: a short term focus up to March 2011 and a medium term focus from 2011 to 2014. Phase 1 priorities were to establish a national coordinating unit, to develop municipal turnaround strategies, and to address municipal financial and administrative problems, strengthen the minister's regulatory powers, strengthen ward committee capacity, and improve integrated development planning across the three spheres of government.

The delivery agreement contains seven outputs, defined as follows: implement a differentiated approach to municipal financing, planning and support (output 1); improve access to basic services (output 2); implement the community work programme (output 3); actions supportive of the human settlement outcome (output 4); deepen democracy through a refined ward committee model (output 5); administrative and financial capability (output 6); and a single window of coordination (output 7). All these outputs relate to the department's work and for each output a number of sub-outputs have been identified.

Local government turnaround strategy

The local government turnaround strategy is being managed in the department, through a national coordinating unit. The strategy is aimed at addressing the internal and external factors that are undermining the functioning of local government. Internal factors include: the quality of decision making by councillors, the quality of appointments, the transparency of tender and procurement systems, and levels of financial management and accountability. External factors include: the revenue base and potential for income generation, inappropriate legislation and regulation, demographic patterns and trends, macro and microeconomic conditions, undue interference by political parties, and weaknesses in national policy, oversight and intergovernmental relations.

The overarching aim of the strategy is to restore people's confidence in municipalities as they are the primary delivery vehicle of public services, and to rebuild and improve the basic requirements for a functional developmental local government. The five strategic objectives of the strategy are to: ensure that municipalities meet the basic needs of communities; build clean, responsive and accountable local government; improve functionality, performance and professionalism in municipalities; improve national and provincial policy, support and oversight to local government; and strengthen partnerships between local government, communities and civil society.

Priorities before and after the 2011 elections

A number of priorities have been earmarked as necessary before the 2011 local government elections. These are to: address the immediate financial and administrative problems in municipalities; promulgate regulations to stem indiscriminate hiring and firing in municipalities; tighten and implement a transparent municipal supply chain management system; ensure that the programmes of national and provincial government and state owned enterprises are reflected in municipal integrated development plans; and overcome the one-size-fits-all approach by differentiating responsibilities and simplifying integrated development plans.

After the elections, the department's ongoing priorities, as outlined in Vision 2014, are: to significantly reduce infrastructure backlogs; for all citizens to have affordable basic services; to formalise all informal settlements; to have clean cities, through the management of waste, so that they create employment and wealth; and to improve municipal financial and administrative capacity through monitoring municipal financial viability.

Providing technical support to low capacity and weak municipalities

Funding from the Siyenza Manje function in National Treasury's vote has been reallocated to technical capacity building in weak local and district municipalities to enhance infrastructure delivery. The focus is on ensuring that there is sufficient in-house technical capacity (civil, mechanical and electrical engineering technicians, project managers, artisans) in local government.

The department was allocated R196.7 million for 2011/12 to establish a technical support programme. The programme will: support municipalities and build their capacity for municipal infrastructure planning, delivery and rehabilitation; provide technical support to enable them to deliver infrastructure sustainably; and monitor municipalities' infrastructure delivery and management performance.

Operation Clean Audit

Launched in July 2009, Operation Clean Audit's main objective is to improve the financial and administrative capacities of municipalities and provincial departments to achieve 100 per cent unqualified audit opinions by 2014. The programme supports municipalities and provincial departments to achieve the following: adequate leadership involvement and effective oversight; effective governance arrangements; systems to address previous audit findings; and conducive financial management arrangements.

The community work programme

As part of government's job creation initiative, the department intends to create 4.5 million job opportunities in historically marginalised communities by 2014 through the community work programme.

Institutionalisation of the Department of Traditional Affairs

The institution of traditional leadership is an integral part of the social and economic fabric in rural areas and has an important role to play in promoting good governance and improving the life of traditional communities and the Khoi-San communities. To reinforce the role of traditional leadership and its importance in South African society, the Department of Traditional Affairs was proclaimed in December 2009. The responsibilities for traditional affairs will continue to reside in the Department of Cooperative Government and Traditional Affairs in 2010/11 while the structure and operations of the Department of Traditional Affairs are being finalised.

The department will also focus on dealing with harmful cultural practices, such as illegal initiation schools, which have created negative perceptions of traditions. The department will develop policies to regulate these practices, which will later be drafted into legislation.

Aligning the department's organisational structure with its budget structure

The department has reviewed its budget structure to align it with its mandate. The structure is also designed to ensure a single channel of reporting and accountability for funds. The alignment shows the lines of responsibilities for different outputs and outcomes in the organisational structure. There are now seven budget programmes, compared to the previous five.

Savings and cost effectiveness measures

The department has identified cost savings of R12.5 million in 2011/12, R15.2 million in 2012/13 and R23.7 million in 2013/14. The savings were achieved` by replacing consultants with skilled personnel, reducing catering for internal meetings, travelling by economy class only, and using less costly venues and facilities. A large proportion of the savings will be derived from low priority and once-off projects to minimise any adverse impact on service delivery.

Cabinet identified savings of R38.8 million in 2011/12, R47 million in 2012/13 and R49.6 million in 2013/14. These will be realised by: reducing hotel accommodation and hiring lower grade cars, encouraging the use of shuttle services and car sharing, reducing air travel where possible and booking economy class travel for most staff, bringing previously outsourced functions in-house, and reducing catering and the use of external venues and facilities.

Selected performance indicators

Table 3.1 Cooperative Governance and Traditional Affairs

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Total number of traditional councils (of 840) supported through capacity building programmes per year	Traditional Affairs	–	–	–	200/840	350/840	600/840	–
Value of municipalities' spending on municipal infrastructure grants per year	Infrastructure and Economic Development	R8.7bn	R9.4bn	R11.1bn	R12.5bn	R11.4bn	R13.9bn	R14.7bn
Total number of households reached with basic services funded by the municipal infrastructure grant:	Infrastructure and Economic Development							
- water		815 293	1 million	1.2 million	1.4 million	1.6 million	1.8 million	2 million
- sanitation		445 070	566 070	687 070	808 070	929 070	1.1 million	1.2 million
- roads		669 636	817 636	965 636	1.1 million	1.3 million	1 486 million	1.7 million
- community lighting		312 183	388 183	464 183	540 186	616 186	692 168	768 150
Percentage of indigent households accessing free basic services:	Infrastructure and Economic Development							
- water		77%	85 %	87%	90%	93%	96%	100%
- electricity		73%	85%	87%	89%	92%	96%	100%

Table 3.1 Cooperative Governance and Traditional Affairs (continued)

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total number of fully functional disaster management centres (of 62) across the 3 spheres of government	Disaster Response Management	5/62 (8%)	9/62 (15%)	12/62 (19%)	30/62 (48%)	40/62 (65%)	53/62 (85%)	62/62 (100%)
Number of government departments included in the national disaster management centres' wide area network per year, including the Satellite Application Centre and the South African Weather Services	National Disaster Management Centre	–	–	–	–	3	5	7
Number of students supported through the disaster management bursary programme per year	National Disaster Management Centre	–	–	23	20	25	30	35
Number of disaster risk management plans submitted to the national disaster management centres per year	National Disaster Management Centre	–	–	–	5	15	30	40
Number of work opportunities created through the community work programme per year	Infrastructure and Economic Development	–	–	–	57 368	63 170	82 817	87 370
Total number of provinces supported to implement the monitoring, reporting and evaluation system for a responsive, accountable, effective and efficient local government system (outcome 9)	Policy, Research and Knowledge Management	9	9	9	9	9	9	9
Total number of municipalities (of 46 targeted municipalities) supported in implementing local economic development strategies	Infrastructure and Economic Development	–	–	14	22	30	38	46
Total number of municipalities (of 278) with integrated development plans drafted in accordance with development planning outcomes	Provincial and Municipal Government Systems	224	240	260	277	278	278	278

Expenditure estimates

Table 3.2 Cooperative Governance and Traditional Affairs

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Administration	125 389	143 271	179 330	197 922	197 922	212 569	215 991	222 321
Policy, Research and Knowledge Management	39 303	40 851	44 949	48 168	48 168	46 006	47 581	50 190
Governance and Intergovernmental Relations	20 759 942	25 656 860	23 936 814	30 666 385	30 666 385	34 213 870	37 684 088	40 077 508
Disaster Response Management	26 144	82 075	122 981	293 240	293 240	821 172	558 003	594 256
Provincial and Municipal Government Systems	238 021	226 441	209 569	251 210	251 210	248 316	260 542	274 700
Infrastructure and Economic Development	7 125 381	7 180 194	9 111 748	10 217 545	10 217 545	12 307 878	14 986 206	15 804 884
Traditional Affairs	45 741	56 293	56 243	74 077	74 077	83 769	90 419	96 960
Total	28 359 921	33 385 985	33 661 634	41 748 547	41 748 547	47 933 580	53 842 830	57 120 819
Change to 2010 Budget estimate				841 239	841 239	1 109 477	1 012 405	1 384 721
Economic classification								
Current payments	324 970	358 117	443 329	661 076	661 076	691 255	786 815	828 560
Compensation of employees	128 146	153 753	165 709	232 061	232 061	232 862	245 894	258 093
Goods and services	196 824	204 294	277 444	429 015	429 015	458 393	540 921	570 467
of which:								
Administrative fees	335	97	228	71	71	50	51	53
Advertising	11 238	7 225	4 894	6 478	6 478	5 571	6 810	7 108
Assets less than the capitalisation threshold	1 093	1 436	835	1 563	1 563	1 689	1 636	1 798
Audit cost: External	4 305	3 220	4 817	6 849	6 849	6 392	6 430	6 264
Bursaries: Employees	568	706	718	900	900	1 090	1 109	1 139
Catering: Departmental activities	5 195	6 556	4 513	6 563	6 563	6 307	6 632	7 034
Communication	6 960	6 765	9 319	10 864	10 864	11 884	12 666	13 747
Computer services	10 981	18 715	21 905	68 246	68 246	50 048	56 968	60 774

Table 3.2 Cooperative Governance and Traditional Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Current payments								
<i>Consultants and professional services: Business and advisory services</i>	37 827	36 242	36 058	49 140	49 140	36 656	38 650	40 797
<i>Consultants and professional services: Infrastructure and planning</i>	–	–	–	–	–	1 044	1 101	1 162
<i>Consultants and professional services: Legal costs</i>	3 586	3 499	3 033	4 370	4 370	3 788	3 902	4 067
<i>Contractors</i>	11 976	3 918	2 898	3 609	3 609	12 796	11 259	8 192
<i>Agency and support / outsourced services</i>	1 889	2 176	3 620	1 797	1 797	5 914	7 232	8 786
<i>Entertainment</i>	12	56	40	213	213	204	220	232
<i>Fleet services (including government motor transport)</i>	–	–	41	431	431	474	521	550
<i>Inventory: Food and food supplies</i>	–	–	55	13	13	15	16	17
<i>Inventory: Fuel, oil and gas</i>	–	113	105	85	85	75	78	79
<i>Inventory: Learner and teacher support material</i>	–	232	4	5	5	8	9	10
<i>Inventory: Materials and supplies</i>	–	11	63 567	151 268	151 268	193 394	252 784	266 621
<i>Inventory: Medical supplies</i>	–	–	3	11	11	11	11	11
<i>Inventory: Other consumables</i>	4	207	387	479	479	511	538	589
<i>Inventory: Stationery and printing</i>	8 579	10 101	6 924	12 567	12 567	13 382	18 105	18 996
<i>Lease payments</i>	12 061	8 320	13 340	12 038	12 038	14 667	15 231	16 935
<i>Property payments</i>	25 344	30 149	34 883	33 938	33 938	35 388	37 322	39 325
<i>Transport provided: Departmental activity</i>	1 091	–	–	300	300	264	274	278
<i>Travel and subsistence</i>	41 020	52 093	56 064	45 449	45 449	45 056	49 005	52 320
<i>Training and development</i>	1 531	2 128	1 831	2 498	2 498	2 579	2 621	2 792
<i>Operating expenditure</i>	3 865	2 286	1 349	2 484	2 484	2 310	2 431	2 550
<i>Venues and facilities</i>	7 364	8 043	6 013	6 786	6 786	6 826	7 309	8 241
<i>Interest and rent on land</i>	–	70	176	–	–	–	–	–
Transfers and subsidies	28 025 481	33 018 322	33 209 970	41 069 340	41 069 340	47 222 446	53 034 854	56 268 679
Provinces and municipalities	27 842 876	32 775 784	32 848 187	40 499 982	40 499 982	46 545 926	52 227 723	55 422 530
Departmental agencies and accounts	56 572	67 473	78 109	83 213	83 213	86 118	90 315	95 275
Foreign governments and international organisations	139	146	–	489	489	–	–	–
Public corporations and private enterprises	120 623	164 820	178 890	189 590	189 590	192 061	196 593	202 040
Non-profit institutions	4 472	9 262	9 315	9 104	9 104	10 164	10 645	11 229
Households	799	837	95 469	286 962	286 962	388 177	509 578	537 605
Payments for capital assets	7 841	9 194	8 070	18 031	18 031	19 779	21 061	23 480
Machinery and equipment	6 750	9 194	8 070	16 331	16 331	18 019	20 109	21 780
Software and other intangible assets	1 091	–	–	1 700	1 700	1 760	952	1 700
Payments for financial assets	1 629	352	265	100	100	100	100	100
Total	28 359 921	33 385 985	33 661 634	41 748 547	41 748 547	47 933 580	53 842 830	57 120 819

Expenditure trends

Over the medium term, spending will focus on the local government turnaround strategy and Operation Clean Audit by 2014. These projects are in the *Administration* programme. Furthermore, the community work programme will provide work opportunities to historically marginalised communities and promote universal access to basic services. This will be reflected in consultants and professional services and in transfers and subsidies for transfers to municipalities and departmental agencies.

Expenditure increased from R28.4 billion in 2007/08 to R41.7 billion in 2010/11, at an average annual rate of 13.8 per cent. Over the medium term, expenditure is expected to increase to R57.1 billion in 2013/14, at an average annual rate of 11 per cent. The substantial increase is due to additional allocations for disaster relief of R1.8 billion and R1.2 billion for the equitable share over the MTEF period, the transfer of the infrastructure

component of the Siyenza Manje function from National Treasury, the community works programme and inflation related adjustments.

Infrastructure spending

The department is responsible for managing and transferring the municipal infrastructure grant and provides support to provinces and municipalities on implementing municipal infrastructure grant projects. The grant is aimed at eradicating municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting.

The municipal infrastructure grant allocation for 2010/11 is R9.7 billion, and increases to R15.3 billion in 2013/14. The targets for 2010/11 are: basic water: 1.4 million households; basic sanitation: 808 070 households; roads: 1.1 million households; community lighting: 540 186 households. The targets for 2013/14 are: basic water: 2 million; sanitation: 1.2 million; roads: 1.7 million; community lighting: 768 150.

Personnel information

The department has an establishment of 647 funded posts, and 297 additional to the approved establishment. The number of posts filled increased from 559 in 2007/08 to 647 in 2010/11, and is expected to grow to 954 over the MTEF period. The growth is due to the expansion of the department's mandate to focus on improving the lives of South Africans by working with key partners and stakeholders, and the establishment of the Department of Traditional Affairs.

The ratio of support staff to line staff is 1:4. The ratio of consultants to departmental personnel is 1:2.

Departmental receipts

Receipts accrue from the collection of parking fees, recovered debt, commission on insurance policy premiums, subsidised vehicles, the recovery of private telephone expenses and the breach of study loan contracts.

Revenue of R731 000 in 2007/08 and R509 000 in 2009/10 was due to receivable losses recovered from accidents, loss of assets by officials, parking fees and private telephone expenses. Over the MTEF period, revenue is expected to increase from R633 000 to R649 000, at an average annual rate of 1.3 per cent. The growth is due to expected increases in loss assets and parking fees.

Table 3.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts	731	820	509	627	627	633	649	649
Sales of goods and services produced by department	125	150	146	148	148	150	155	159
Sales of scrap, waste, arms and other used current goods	–	–	–	16	16	18	22	25
Interest, dividends and rent on land	3	2	5	3	3	3	4	5
Sales of capital assets	337	–	105	–	–	–	–	–
Transactions in financial assets and liabilities	266	668	253	460	460	462	468	460
Total	731	820	509	627	627	633	649	649

Programme 1: Administration

Expenditure estimates

Table 3.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Ministry ¹	15 146	19 372	43 035	31 323	26 943	27 951	28 373
Management	11 206	10 596	15 177	21 337	10 168	11 112	11 813
Chief Operating Officer	5 981	6 817	6 927	14 037	42 751	37 631	35 967
Corporate Services	26 833	41 404	46 926	38 687	38 825	39 792	41 658
Financial Services	17 022	15 005	16 337	18 969	18 944	19 961	20 757
Communication and Liaison	9 300	11 187	10 803	26 709	25 469	26 839	27 339
Legislation Review and Drafting	8 748	5 834	4 225	12 264	10 625	11 142	11 698
Internal Audit and Risk Management	5 809	6 852	6 243	6 555	9 821	11 128	12 609
Office Accommodation	25 344	26 204	29 657	28 041	29 023	30 435	32 107
Total	125 389	143 271	179 330	197 922	212 569	215 991	222 321
Change to 2010 Budget estimate				9 791	(9 684)	(10 369)	(16 501)

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown. Before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Economic classification

	121 424	140 193	172 681	194 417	208 683	212 003	217 871
Current payments							
Compensation of employees	47 170	57 758	66 640	95 391	90 885	94 912	97 182
Goods and services	74 254	82 365	105 865	99 026	117 798	117 091	120 689
<i>of which:</i>							
Administrative fees	90	85	85	58	38	40	42
Advertising	4 117	3 065	3 803	3 476	3 639	3 655	3 759
Assets less than the capitalisation threshold	425	400	210	315	364	376	390
Audit cost: External	4 305	3 220	4 817	6 849	6 381	6 418	6 251
Bursaries: Employees	568	706	718	900	1 090	1 109	1 139
Catering: Departmental activities	1 030	1 669	1 682	1 052	999	1 003	1 032
Communication	5 369	4 511	7 241	8 132	8 941	9 539	10 434
Computer services	1 443	7 200	626	864	5 938	2 964	3 498
Consultants and professional services: Business and advisory services	4 309	5 797	4 352	10 756	8 797	9 270	9 168
Consultants and professional services: Legal costs	3 370	3 224	1 187	3 350	2 482	2 520	2 609
Contractors	6 277	994	2 050	1 825	9 507	7 820	5 151
Agency and support / outsourced services	1 571	1 049	1 541	1 401	4 655	5 888	7 181
Entertainment	5	44	32	65	61	65	68
Fleet services (including government motor transport)	–	–	41	1	1	1	1
Inventory: Food and food supplies	–	–	13	–	–	–	–
Inventory: Fuel, oil and gas	–	113	105	85	75	78	79
Inventory: Learner and teacher support material	–	–	–	5	8	9	10
Inventory: Materials and supplies	–	–	32	25	25	27	28
Inventory: Medical supplies	–	–	3	11	11	11	11
Inventory: Other consumables	–	159	376	241	261	266	273
Inventory: Stationery and printing	2 149	3 317	1 929	3 061	3 407	3 501	3 620
Lease payments	3 919	3 543	4 784	3 356	4 181	4 227	4 339
Property payments	25 344	30 100	34 883	33 926	35 294	37 221	39 218

Table 3.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<i>Transport provided: Departmental activity</i>	–	–	–	300	264	274	278
<i>Travel and subsistence</i>	7 493	10 523	31 214	13 537	16 603	15 896	16 926
<i>Training and development</i>	968	1 152	715	1 151	1 282	1 291	1 347
<i>Operating expenditure</i>	1 099	771	831	976	1 031	1 063	1 106
<i>Venues and facilities</i>	403	723	2 595	3 308	2 463	2 559	2 731
Interest and rent on land	–	70	176	–	–	–	–
Transfers and subsidies	798	648	2 760	275	100	100	100
Provinces and municipalities	10	9	11	153	100	100	100
Households	788	639	2 749	122	–	–	–
Payments for capital assets	1 538	2 078	3 624	3 130	3 686	3 788	4 250
Machinery and equipment	1 279	2 078	3 624	3 130	3 686	3 788	4 250
Software and other intangible assets	259	–	–	–	–	–	–
Payments for financial assets	1 629	352	265	100	100	100	100
Total	125 389	143 271	179 330	197 922	212 569	215 991	222 321
Details of transfers and subsidies							
Households							
Households social benefits							
Current	788	639	2 749	122	–	–	–
Employee social benefit	788	639	2 749	122	–	–	–
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	10	9	11	153	100	100	100
Municipal services	10	–	11	103	100	100	100
Vehicle licenses	–	9	–	50	–	–	–

Expenditure trends

Expenditure increased from R125.4 million in 2007/08 to R197.9 million in 2010/11, at an average annual rate of 16.4 per cent. The growth was due to inflation related salary adjustments and the increase in funded posts. The increase in spending on goods and services was driven by flagship projects such as Operation Clean Audit, the local government turnaround strategy and the revenue enhancement strategy.

Over the MTEF period, expenditure is expected to increase from R197.9 million in 2010/11 to R222.3 million in 2013/14, at an average annual rate of 4 per cent. The growth is attributed to the establishment of provincial offices and inflation related adjustments to salaries, reflected in the increase in the *Chief Operating Officer* subprogramme. Other contributors to growth over the MTEF period are technical support for provinces and the flagship projects.

Programme 2: Policy, Research and Knowledge Management

- *Management: Research and Policy* manages the activities of this programme, described per subprogramme below. It has 3 staff members. This subprogramme's budget is R2.9 million in 2010/11.
- *Policy and Research Methods* develops policies aimed at improving the performance of municipalities and service delivery. This entails periodic, applied research and evaluation of policies, programmes and projects. The subprogramme has a staff complement of 13, and a total budget of R14.8 million in 2010/11, of which 32 per cent is used for compensation of employees. In 2010/11, a framework for monitoring, reporting and evaluation was developed to be rolled out in provinces and municipalities in 2011/12. Over the medium term, the subprogramme will identify policy gaps and provide research on the latest developments relevant to the department at a total cost of R8.3 million.

- *Knowledge and Information Management* provides knowledge and information management products and services to the department. This entails developing systems to enhance knowledge generation and sharing among all key stakeholders to support development efforts with municipalities and provinces. The subprogramme has a staff complement of 17, and a total budget of R14.9 million in 2010/11, of which 56.8 per cent is used for compensation of employees. In 2010/11, the subprogramme developed a draft conceptual strategy for knowledge management for the department. This will be rolled out over the medium term at a total cost of R11 million.
- *Information, Communication and Business Technology* provides support, and plans and deploys ICT infrastructure and maintenance in the department. The subprogramme has a staff complement of 15, and a total budget of R15.6 million in 2010/11, of which 40.1 per cent is used for compensation of employees. In 2009/10, an IT platform was created to ensure the provision and maintenance of data warehouses, databases and data storage facilities; and to improve the department's ICT infrastructure.

Objectives and measures

- Strengthen and mainstream monitoring, reporting and evaluation for provincial and local government by providing a framework by March 2012.
- Support the department with research and policy analysis on an ongoing basis, and make recommendations for policy development and change by March 2012.
- Improve knowledge and information management in the local government sector by planning, developing and implementing a knowledge and information management strategy and system by March 2012.
- Improve the department's ICT capability by upgrading information and business technologies by March 2012.

Expenditure estimates

Table 3.5 Policy, Research and Knowledge Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Management: Research and Policy	1 133	2 290	2 938	2 868	1 700	1 800	1 900
Policy and Research Methods	9 021	13 675	13 475	14 768	8 145	8 611	9 084
Knowledge and Information Management	15 884	11 868	12 185	14 899	10 825	11 476	12 209
Information, Communication and Business Technology	13 265	13 018	16 351	15 633	25 336	25 694	26 997
Total	39 303	40 851	44 949	48 168	46 006	47 581	50 190
Change to 2010 Budget estimate				(1 908)	1 809	688	718
Economic classification							
Current payments	35 627	36 852	44 335	42 490	39 046	41 133	42 688
Compensation of employees	14 620	18 406	24 179	20 499	20 501	21 668	22 775
Goods and services	21 007	18 446	20 156	21 991	18 545	19 465	19 913
<i>of which:</i>							
Administrative fees	21	9	141	–	–	–	–
Advertising	13	40	–	644	334	353	372
Assets less than the capitalisation threshold	398	395	444	291	279	122	130
Catering: Departmental activities	325	701	270	832	524	561	589
Communication	187	327	353	221	183	193	202
Computer services	3 287	4 271	7 380	3 924	4 628	4 892	5 142
Consultants and professional services: Business and advisory services	5 472	4 512	3 805	6 171	4 503	4 732	4 967
Consultants and professional services: Legal costs	–	–	509	–	–	–	–
Contractors	505	52	61	5	502	531	2

Table 3.5 Policy, Research and Knowledge Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Agency and support / outsourced services	266	320	259	–	800	859	1 090
Entertainment	4	1	8	24	21	22	23
Inventory: Food and food supplies	–	–	5	–	–	–	–
Inventory: Learner and teacher support material	–	221	2	–	–	–	–
Inventory: Materials and supplies	–	1	31	–	–	–	–
Inventory: Other consumables	–	14	1	7	6	6	7
Inventory: Stationery and printing	5 131	2 167	1 772	1 919	1 719	1 818	1 910
Lease payments	1 095	120	211	139	137	144	151
Transport provided: Departmental activity	1 091	–	–	–	–	–	–
Travel and subsistence	1 792	4 305	3 863	6 086	3 423	3 610	3 788
Training and development	209	319	256	303	276	293	308
Operating expenditure	664	220	144	725	363	434	457
Venues and facilities	547	451	641	700	847	895	775
Payments for capital assets	3 676	3 999	614	5 678	6 960	6 448	7 502
Machinery and equipment	3 674	3 999	614	3 978	5 200	5 496	5 802
Software and other intangible assets	2	–	–	1 700	1 760	952	1 700
Total	39 303	40 851	44 949	48 168	46 006	47 581	50 190

Expenditure trends

Over the MTEF period, spending will focus on improving ICT infrastructure, and on protecting and managing knowledge sharing in the department and municipalities.

Expenditure increased from R39.3 million in 2007/08 to R48.2 million in 2010/11, at an average annual rate of 7 per cent. The increase is mainly due to additional spending to improve ICT infrastructure, and protect and manage knowledge sharing in the department and municipalities. The department consolidated and virtualised its server environment. A storage area network was implemented to cater for the increased storage demand by network users on the network, through items such as computer services and consultants and professional services. These items will increase from R9.1 million in 2011/12 to R10.1 million in 2013/14.

Over the MTEF period, expenditure is expected to increase from R48.2 million in 2011/12 to R50.1 million in 2013/14, at an average annual rate of 1.4 per cent. The increased expenditure will be prioritised for ICT integration and knowledge management and inflation related adjustments to salaries.

Programme 3: Governance and Intergovernmental Relations

- *Management: Governance*
- *Intergovernmental Relations and Coordination* develops, coordinates and implements an effective system of intergovernmental relations to strengthen coordination. This entails managing intergovernmental dispute resolution, and supporting intergovernmental relation structures. The subprogramme has a staff complement of 9, with a total budget of R9.6 million in 2010/11, of which 65 per cent is used for compensation of employees. In 2011/12, the focus will be on drafting the Green Paper on Cooperative Governance; reviewing policy on the allocation of powers and functions; and new legislation on support, monitoring and interventions in local government. These outputs are anticipated to cost R8.9 million.
- *Intergovernmental Fiscal Relations:* strengthens intergovernmental fiscal relations through equitable share transfers, which refers to the share of nationally raised revenue payable to the local government sphere; manages conditional grants transfers to municipalities according to the payment schedule and the requirements of the Division of Revenue Act; and monitors the financial viability of municipalities and provinces. The subprogramme has a staff complement of 23, and a total budget of R20.7 million in 2010/11, of which 44.8 per cent is used for compensation of employees. The focus over the medium term will be on

introducing comprehensive amendments to the Municipal Property Rates Act (2004) through the Municipal Property Rates Bill. The subprogramme will also continue to transfer the equitable share to municipalities and will introduce the national grant coordination framework. The total cost of these will be R14.7 million.

- *Governance and Public Participation* promotes an environment of good governance and public participation by supporting provinces and municipalities in strengthening their governance and coordination capability. The subprogramme has a staff complement of 11, and a total budget of R5.9 million in 2010/11, of which 60 per cent is used for compensation of employees. In 2009/10, the national framework for out of pocket expenses for ward committees was gazetted.
- *South African Local Government Association* transfers funds to the South African Local Government Association, the recognised local government body in terms of the Organised Local Government Act (1997).
- *Municipal Demarcation Board* transfers funds to the Municipal Demarcation Board, which is a constitutional body established in terms of the Municipal Demarcation Board Act (1998).
- *South African Cities Network* transfers funds to the South African Cities Network, which enables cooperation between South African cities and maximises benefits through the exchange of information.
- *United Cities and Local Government of Africa* transfers fund to the United Cities and Local Government of Africa, an association of municipalities and national regional local government associations in Africa.
- *Local Government Equitable Share* is the share of nationally raised revenue which is payable to the local government sphere in terms of section 214 of the Constitution. This transfer will continue to be an integrated funding instrument for supplementing municipal own revenue for the provision of free basic services to poor households and for funding institutional capacity and support for weaker municipalities in poor areas. The subprogramme is supported by a staff complement of 4, and has a total budget of R30.6 billion in 2010/11, of which 100 per cent is transferred to municipalities.

Objectives and measures

- Strengthen coordination through developing and implementing an effective system of intergovernmental relations by developing the White Paper on Cooperative Governance by March 2012.
- Strengthen intergovernmental fiscal relations by coordinating and transferring all grant allocations as per Division of Revenue requirements by March 2012.
- Promote an environment of good governance and public participation through supporting provinces in strengthening their governance and coordination capability by:
 - finalising the legislative framework on ward committees and community participation by March 2012
 - finalising the funding model for ward committees by March 2012.

Expenditure estimates

Table 3.6 Governance and Intergovernmental Relations

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand				2010/11			
Management: Governance	–	–	–	748	2 900	2 957	3 207
Intergovernmental Relations	5 667	8 636	6 017	9 590	8 788	9 259	9 722
Coordination							
Intergovernmental Fiscal Relations	12 051	11 480	8 122	20 693	14 423	14 709	15 955
Governance and Public Participation	21 079	21 257	10 037	5 872	5 726	6 034	6 335
South African Local Government Association	20 461	22 058	23 302	24 625	25 486	26 726	28 194
Municipal Demarcation Board	20 664	25 419	34 557	37 187	38 482	40 362	42 578
South African Cities Network	4 400	4 700	4 815	5 104	5 282	5 540	5 844
United Cities and Local Government of Africa	–	3 625	4 500	4 000	4 882	5 105	5 385
Local Government Equitable Share	20 675 620	25 559 685	23 845 464	30 558 566	34 107 901	37 573 396	39 960 288
Total	20 759 942	25 656 860	23 936 814	30 666 385	34 213 870	37 684 088	40 077 508
Change to 2010 Budget estimate				3 403 037	382 254	561 324	907 227

Table 3.6 Governance and Intergovernmental Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	38 198	40 321	24 176	36 903	31 837	32 959	35 219
Compensation of employees	14 658	19 349	16 947	21 532	19 490	20 201	21 472
Goods and services	23 540	20 972	7 229	15 371	12 347	12 758	13 747
<i>of which:</i>							
Administrative fees	200	–	–	–	–	–	–
Advertising	3 231	3 110	299	10	8	8	8
Assets less than the capitalisation threshold	117	48	30	11	10	10	81
Catering: Departmental activities	2 242	1 961	736	400	677	692	780
Communication	219	181	238	305	383	394	421
Computer services	5 994	92	139	–	–	–	–
Consultants and professional services: Business and advisory services	3 757	4 645	1 794	7 311	6 102	6 614	7 048
Contractors	24	1 699	670	435	597	638	685
Agency and support / outsourced services	15	129	240	40	94	99	104
Entertainment	1	–	–	13	10	10	10
Inventory: Food and food supplies	–	–	–	5	4	4	4
Inventory: Materials and supplies	–	1	–	–	2	2	2
Inventory: Other consumables	–	4	–	–	–	–	30
Inventory: Stationery and printing	446	1 985	608	661	593	617	652
Lease payments	174	374	213	20	27	29	31
Travel and subsistence	2 908	4 754	1 965	5 293	2 971	2 718	2 898
Training and development	87	140	48	222	171	176	192
Operating expenditure	1 142	108	29	21	20	24	25
Venues and facilities	2 983	1 741	220	624	678	723	776
Transfers and subsidies	20 721 217	25 616 424	23 912 638	30 629 482	34 182 033	37 651 129	40 042 289
Provinces and municipalities	20 675 620	25 559 685	23 845 464	30 558 566	34 107 901	37 573 396	39 960 288
Departmental agencies and accounts	41 125	47 477	57 859	61 812	63 968	67 088	70 772
Non-profit institutions	4 472	9 262	9 315	9 104	10 164	10 645	11 229
Payments for capital assets	527	115	–	–	–	–	–
Machinery and equipment	409	115	–	–	–	–	–
Software and other intangible assets	118	–	–	–	–	–	–
Total	20 759 942	25 656 860	23 936 814	30 666 385	34 213 870	37 684 088	40 077 508
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	41 125	47 477	57 859	61 812	63 968	67 088	70 772
South African Local Government Association	20 461	22 058	23 302	24 625	25 486	26 726	28 194
Municipal Demarcation Board	20 664	25 419	34 557	37 187	38 482	40 362	42 578
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	20 675 620	25 559 685	23 845 464	30 558 566	34 107 901	37 573 396	39 960 288
Equitable Share	20 675 620	25 559 685	23 845 464	30 558 566	34 107 901	37 573 396	39 960 288

Table 3.6 Governance and Intergovernmental Relations (continued)

R thousand	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Economic classification							
Non-profit institutions							
Current	4 472	9 262	9 315	9 104	10 164	10 645	11 229
South African Cities Network	4 400	4 700	4 815	5 104	5 282	5 540	5 844
United Cities and Local Government of Africa	–	3 625	4 500	4 000	4 882	5 105	5 385
SAMDI	72	937	–	–	–	–	–

Expenditure trends

Over the MTEF period, the spending focus will be on transferring the local government equitable share, which is expected to be R111.6 billion over the period, and on monitoring the financial viability of municipalities and provinces. The programme is expected to produce the Green Paper on Cooperative Governance and facilitate local participatory governance.

Expenditure increased from R20.8 billion in 2007/08 to R30.7 billion in 2010/11, at an average annual rate of 13.9 per cent. Expenditure in this programme is dominated by the equitable share transfers to municipalities, which make up 73.2 per cent of the department's budget allocation in 2010/11.

Expenditure is expected to increase to R40.1 billion over the medium term, at an average annual rate of 9.3 per cent. Over the MTEF period, the programme will focus on contributing to a responsive, accountable, effective and efficient local government system (outcome 9). Expenditure will be directed at the transfers, the management of conditional grants, the development of the Green Paper on Cooperative Governance, and support for the establishment of the Southern African Development Community (SADC) local government desk and the consolidation of the SADC local government agenda.

Programme 4: Disaster Response Management

- *Management: Head of Disaster* oversees the performance, management and monitoring of the subprogrammes described below. This subprogramme has staff complement of 3 and a total budget of R8.5 million over the medium term.
- *Legislation, Policy and Compliance Management* develops and provides implementation support for disaster risk management policies and legislative frameworks across all spheres of government. The subprogramme has a staff complement of 5, and a total budget of R12.3 million in 2010/11, of which 34.3 per cent is used for compensation of employees. Over the medium term, at a cost of R7.5 million, the focus will be on reconstituting a technical advisory committee for risk assessments, with the target of establishing 40 disaster management centres and finalising the Fire Services Bill.
- *Planning Coordination and Support* develops and implements disaster risk management operational systems, coordinates disaster risk management capacity building and strategic research, and provides for the allocation of disaster response and relief funding when there has been a disaster. The subprogramme has a staff complement of 4, and a total budget of R10.6 million in 2010/11, of which 27 per cent is used for compensation of employees. Over the medium term, at a total cost of R9.5 million, the unit will fast-track mechanisms for disaster relief funding, provide disaster risk management bursary funding to identified institutions, finalise the development of a national disaster risk management education and training framework, roll out public awareness and research programmes, and fund the publication of Jamba, a journal of disaster risk studies.
- *Intelligence and Information Systems Management* creates and manages the implementation of disaster risk management intelligence and capability systems. This entails establishing and maintaining ICT capability for disaster management in all spheres of government by: developing, implementing and maintaining a master systems plan for disaster risk management; and developing and managing the implementation of disaster management intelligence systems. The subprogramme has a staff complement of 3, and a total budget of R53 million in 2010/11, of which 17.4 per cent is used for compensation of employees. Over the medium term, at a total cost of R26.4 million in 2010/11, the focus will be on: expanding wide area

networks to include the Satellite Application Centre, the South African Weather Service and other national departments; refining the national indicative risk and vulnerability model for adoption by the technical advisory committee; and expanding components of the national disaster management information systems accessible to disaster management centres and fire stations.

- *Disaster Relief Transfers* is a conditional grant which aims at providing immediate relief after a disaster without any scientific assessment. Transfers are only made when a disaster has been declared.

Objectives and measures

- Improve the proactive and responsive capability of the national disaster management centres by providing guidance and policy support on the establishment and functionality of the centres by March 2012.
- Strengthen and update the legislative framework for fire services by submitting amended legislation to Cabinet for approval by March 2012.
- Improve access and proper coordination of disaster risk reduction by coordinating all relevant departments and other stakeholders linked to the national disaster management centres wide area network by March 2012.
- Enhance and strengthen capacity and career paths in the disaster fraternity by providing support to 15 disaster management students through the disaster risk management bursary programme by March 2012.
- Ensure integrated and well coordinated disaster management planning and implementation by providing support to government, the relevant sectors and other stakeholders to submit their disaster risk management plans by March 2012.

Expenditure estimates

Table 3.7 Disaster Response Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Management: Head of Disaster	–	–	17 537	3 097	2 696	2 857	3 013
Legislation, Policy and Compliance Management	7 172	16 375	6 804	12 292	7 594	8 024	8 464
Planning Coordination and Support	17 764	9 568	12 530	10 588	9 442	9 617	10 512
Intelligence and Information Systems Management	1 208	9 085	25 310	52 865	26 440	27 505	32 267
Disaster Relief Transfers	–	47 047	60 800	214 398	775 000	510 000	540 000
Total	26 144	82 075	122 981	293 240	821 172	558 003	594 256
Change to 2010 Budget estimate				251 677	778 385	513 526	547 334
Economic classification							
Current payments	24 797	33 159	44 353	74 290	43 028	44 743	50 506
Compensation of employees	4 446	5 633	6 247	13 631	18 473	19 190	21 253
Goods and services	20 351	27 526	38 106	60 659	24 555	25 553	29 253
of which:							
Administrative fees	6	1	–	–	–	–	–
Advertising	350	206	152	200	257	268	307
Assets less than the capitalisation threshold	41	487	12	80	82	86	96
Catering: Departmental activities	223	150	145	315	357	372	420
Communication	44	637	249	227	230	240	266
Computer services	171	6 856	13 392	37 588	3 348	3 463	3 984
Consultants and professional services: Business and advisory services	11 321	9 223	11 793	11 365	7 886	8 181	9 259
Contractors	127	1 073	97	–	–	–	–
Entertainment	–	1	–	8	8	8	8
Inventory: Food and food supplies	–	–	37	–	–	–	–

Table 3.7 Disaster Response Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
<i>Inventory: Learner and teacher support material</i>	–	1	2	–	–	–	–
<i>Inventory: Materials and supplies</i>	–	–	2	–	–	–	–
<i>Inventory: Other consumables</i>	–	–	–	4	5	5	5
<i>Inventory: Stationery and printing</i>	114	1 595	1 424	764	866	900	1 023
<i>Lease payments</i>	6 012	3 887	7 931	6 820	8 467	8 801	10 271
<i>Property payments</i>	–	49	–	12	10	11	12
<i>Travel and subsistence</i>	1 257	1 056	1 465	2 700	2 404	2 517	2 815
<i>Training and development</i>	–	60	653	280	300	311	349
<i>Operating expenditure</i>	436	843	293	–	–	25	26
<i>Venues and facilities</i>	249	1 401	459	296	335	365	412
Transfers and subsidies	11	47 047	75 186	214 398	775 000	510 000	540 000
Provinces and municipalities	–	47 047	75 186	214 398	775 000	510 000	540 000
Households	11	–	–	–	–	–	–
Payments for capital assets	1 336	1 869	3 442	4 552	3 144	3 260	3 750
Machinery and equipment	632	1 869	3 442	4 552	3 144	3 260	3 750
Software and other intangible assets	704	–	–	–	–	–	–
Total	26 144	82 075	122 981	293 240	821 172	558 003	594 256
Details of transfers and subsidies							
Households							
Households social benefits							
Current	11	–	–	–	–	–	–
Employee social benefit	11	–	–	–	–	–	–
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	–	29 730	–	214 398	305 000	180 000	190 000
Disaster Relief	–	29 730	–	214 398	–	–	–
Provincial Disaster Grant	–	–	–	–	305 000	180 000	190 000
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	–	17 317	75 186	–	470 000	330 000	350 000
Disaster management world cup transfer to municipalities	–	–	14 386	–	–	–	–
Disaster Relief	–	17 317	60 800	–	–	–	–
Municipal Disaster Grant	–	–	–	–	470 000	330 000	350 000
Households							
Households other transfers							
Current	–	–	–	–	–	–	–
Employee social benefit	–	–	–	–	–	–	–

Expenditure trends

Over the MTEF period, spending will focus on establishing a national disaster management centre, as required by the minister's service level agreement, to support the 9 provincial centres, the 46 district centres and the 6 centres in metros. The expenditure will be in items such as computer services and consultants and business and advisory services, and machinery and equipment.

Expenditure increased from R26.1 million in 2007/08 to R293.2 million in 2010/11, at an average annual rate of 123.8 per cent. The growth was mostly due to additional allocations for unforeseen and unavoidable disaster

relief, which amounts to R214 million and R60 million for disaster management contingency plans for the 2010 FIFA World Cup. Spending on establishing the national disaster management centre also contributed to the growth in expenditure in this period.

Expenditure is expected to decrease to R594.3 million in 2013/14 from R821.1 million in 2011/12, at an average annual rate of 14.9 per cent. The programme is dominated by transfers, at 94 per cent of the budget.

Allocations for disaster relief amounting to R1.8 billion have been projected over the MTEF period. The aim is to provide immediate relief for disasters through the disaster to provinces and municipalities.

Programme 5: Provincial and Municipal Systems

- *Management: Provincial and Local Government Support*
- *Provincial Government Support and Intervention* provides for and supports the role of provincial government systems for service delivery. This entails strengthening implementation and providing basic municipal services and infrastructure in provinces, managing and coordinating the implementation of services, developing and implementing institutional systems to strengthen provincial and local government administration, and developing a regulatory framework and systems to promote economic and infrastructure development in provinces. The subprogramme has a staff complement of 10, and a total budget of R7.1 million in 2010/11, of which 56.2 per cent is used for compensation of employees. Over the medium term, at a total cost of R9.5 million, the focus will be on rolling out the performance evaluation system and developing and implementing performance management systems in municipalities.
- *Local Government Support and Intervention* provides and supports local government systems for service delivery. This entails strengthening the implementation and provision of basic municipal services and infrastructure in local government, developing and implementing institutional systems to strengthen local public administration, and promoting the financial viability of municipalities. The subprogramme has a staff complement of 11, and a 2010/11 budget of R7 million, of which 59.2 per cent is used for compensation of employees. Over the medium term, at a total cost of R10.6 million, the focus will be on developing regulations dealing with human resource systems and processes to give effect to the Municipal Systems Amendment Bill, and on ensuring the operational efficiency of the national capacity building coordinating committee and sound implementation of the integrated capacity building plan for local government.
- *Development Planning* facilitates intergovernmental development planning and spatial development planning. This entails supporting and monitoring the alignment of development plans between the spheres and sectors of government. The subprogramme has 8 staff members, and a total budget of R14.5 million in 2010/11, of which 53.5 per cent is used for compensation of employees. Over the medium term, at a total cost of R6 million, the focus will be on strengthening the capacity of municipalities to implement the local government turnaround strategy and developing differentiated and simplified guidelines for crafting and implementing municipal integrated development plans.
- *Municipal Systems Improvement Grant* makes transfers to assist municipalities with building in-house capacity to perform functions and to stabilise institutional and governmental systems.

Objectives and measures

- Support improved service delivery through strengthening the capacity of municipalities to implement the municipal turnaround strategy and their integrated development plans by developing differentiated and simplified guidelines for crafting and implementing municipal integrated development plans by March 2012.
- Give effect to the Municipal Systems Amendment Bill by developing regulations dealing with human resource systems and processes, including the principal Municipal Systems Act (2000), by March 2012.
- Give effect to the single window of coordination for local government capacity building through ensuring the operational efficiency of the national capacity building coordinating committee and the sound implementation of the integrated capacity building plan for local government by March 2012.

Expenditure estimates

Table 3.8 Provincial and Municipal Government Systems

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Management: Provincial and Local Government Support	2 619	–	–	10 526	3 154	3 323	3 489
Provincial Government Support and Intervention	–	–	–	7 134	9 358	9 860	10 352
Local Government Support and Intervention	29 729	22 128	4 616	7 010	10 457	11 018	11 568
Development Planning	5 673	4 313	4 953	14 540	5 927	6 245	6 557
Municipal Systems Improvement Grant	200 000	200 000	200 000	212 000	219 420	230 096	242 734
Total	238 021	226 441	209 569	251 210	248 316	260 542	274 700
Change to 2010 Budget estimate				–	(5 246)	(5 845)	(6 182)
Economic classification							
Current payments	37 945	26 180	9 516	39 129	28 862	30 446	31 966
Compensation of employees	14 445	15 299	5 349	25 994	19 362	20 371	21 339
Goods and services	23 500	10 881	4 167	13 135	9 500	10 075	10 627
<i>of which:</i>							
Administrative fees	–	1	–	–	–	–	–
Advertising	1 388	–	30	80	26	27	28
Assets less than the capitalisation threshold	24	3	38	137	130	137	146
Catering: Departmental activities	281	229	310	692	398	419	438
Communication	119	22	61	531	300	315	330
Computer services	–	–	–	400	164	173	181
Consultants and professional services: Business and advisory services	6 526	1 327	1 668	3 964	2 581	2 707	2 836
Consultants and professional services: Legal costs	–	16	–	–	–	–	–
Contractors	3	–	–	519	561	575	603
Agency and support / outsourced services	27	32	134	101	78	82	86
Entertainment	–	10	–	38	30	32	34
Inventory: Food and food supplies	–	–	–	8	11	12	13
Inventory: Materials and supplies	–	–	1	1	–	–	–
Inventory: Other consumables	–	4	3	27	19	19	19
Inventory: Stationery and printing	348	333	137	1 178	1 129	1 223	1 284
Lease payments	548	106	52	222	115	121	128
Travel and subsistence	11 722	6 804	1 005	4 436	2 871	3 057	3 155
Training and development	86	52	13	254	177	199	224
Operating expenditure	20	9	1	146	171	161	175
Venues and facilities	2 408	1 933	714	401	739	816	947
Transfers and subsidies	200 000	200 000	200 000	212 000	219 420	230 096	242 734
Provinces and municipalities	200 000	200 000	200 000	212 000	219 420	230 096	242 734
Payments for capital assets	76	261	53	81	34	–	–
Machinery and equipment	68	261	53	81	34	–	–
Software and other intangible assets	8	–	–	–	–	–	–
Total	238 021	226 441	209 569	251 210	248 316	260 542	274 700

Table 3.8 Provincial and Municipal Government Systems (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	200 000	200 000	200 000	212 000	219 420	230 096	242 734
Municipal systems improvement grant	200 000	200 000	200 000	212 000	219 420	230 096	242 734

Expenditure trends

Spending over the medium term will focus on making transfers for the municipal systems improvement grant to strengthen capacity in municipalities to implement their turnaround strategy, and to develop differentiated and simplified guidelines for crafting and implementing municipal integrated development plans.

Expenditure increased from R238 million in 2007/08 to R251.2 million in 2010/11, at an average annual rate of 1.8 per cent. The growth was mainly due to increases in spending on compensation of employees, which increased by R11.5 million between 2007/08 and 2010/11, due to the focus on implementing the turnaround strategy.

Over the MTEF period, expenditure is expected to increase to R274.7 million, at an average annual rate of 3 per cent. The increase is mainly due to inflation related adjustments to compensation of employees and goods and services.

The ratio of administrative to line function costs is 1:1.

Programme 6: Infrastructure and Economic Development

- *Management: Infrastructure.*
- *Local Economic Development Planning* supports the planning and implementation of local economic development programmes in provincial and local governments within the national framework. The subprogramme has a staff complement of 15, and a 2010/11 budget of R9.8 million, of which 56.7 per cent is used for compensation of employees. In 2010/11, 22 municipalities were supported by this subprogramme, 30 will be supported over the medium term.
- *Infrastructure Development* promotes accelerated infrastructure delivery to strengthen implementation of municipal infrastructure development to targeted communities at local government level to eradicate backlogs and enable access to basic services. The subprogramme has a staff complement of 18, and a 2010/11 budget of R10.7 million, of which 52.3 per cent is used on compensation of employees. In 2009/10, access to basic services increased as follows: basic water: 1.2 million households; basic sanitation: 687 070 households; roads: 965 636 households; and community lighting: 464 183. The target for 2010/11 was: basic water: 1.4 million households; basic sanitation: 808 070 households; roads: 1.1 million households; and community lighting: 540 186 households. Funding for basic services is provided through the municipal infrastructure grant.
- *Municipal Infrastructure Grant* makes transfers to supplement municipal capital budgets to eradicate the backlog in municipal infrastructure. The subprogramme has a total budget of R9.5 billion, of which 100 per cent is used for transfers to municipalities.
- *Community Work Programme* contributes to developing public assets in poor communities, provides income security and work experience for participants, and promotes social and economic inclusion. The subprogramme has a staff complement of 4, and a 2010/11 budget of R490 million, of which 10 per cent is used for programme management. The subprogramme was transferred to the Department of Cooperative Governance from the Department of Public Works in 2009/10. Implementation of the programme began in 2010/11, and 81 412 work opportunities had been created by the end of December 2010, against the target of 57 368.

- *Special Purpose Vehicle* is intended to be a ring-fenced and dedicated component that will provide support to municipalities, especially those with shortage of technical capacity, towards the improves delivery and management of municipal infrastructure and services. This component currently being established is expected to start with a staff complement of about 30 people in the first year with the headcount project to grow to 45 in the third year. Total budget of R189.6 million in 2010/11 which is expected to grow to R202 million in 2013/14.

Objectives and measures

- Promote community development in the most marginalised communities by creating and maintaining public infrastructure through the community work programme to provide 63 630 new work opportunities by March 2012.
- Improve municipal infrastructure investment and access to basic services through supporting the development and implementation of the comprehensive infrastructure plans of 30 municipalities by entering into agreements with targeted municipalities by March 2012 on their delivery targets and the range of support they require.
- Provide informed and efficient service delivery to indigent households through strengthening the capacity of all 9 provinces to support municipalities in assessing and implementing indigent policies and managing credible indigent registers by developing a standard free basic service national indigent register by March 2012.
- Provide support to 70 municipalities to spend their municipal infrastructure grants by compiling credible cash flows and preparing a payment schedule based on municipal infrastructure grant registered projects by March 2012.

Expenditure estimates

Table 3.9 Infrastructure and Economic Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Management: Infrastructure	–	–	–	2 345	3 377	3 559	3 737
Local Economic Development Planning	31 035	34 175	37 903	9 818	9 082	9 569	10 046
Infrastructure Development	6 477	12 156	12 929	10 745	11 954	12 914	13 559
Municipal Infrastructure Grant	6 967 246	6 969 043	8 727 526	9 514 722	11 443 505	13 914 131	14 679 408
Community Work Program	–	–	154 500	490 325	647 899	849 440	896 094
Special Purpose Vehicle	120 623	164 820	178 890	189 590	192 061	196 593	202 040
Total	7 125 381	7 180 194	9 111 748	10 217 545	12 307 878	14 986 206	15 804 884
Change to 2010 Budget estimate				(2 824 572)	(41 017)	(51 617)	(54 399)
Economic classification							
Current payments	37 184	45 849	114 013	221 704	278 535	358 704	378 235
Compensation of employees	22 674	26 453	34 536	23 320	25 590	27 332	28 721
Goods and services	14 510	19 396	79 477	198 384	252 945	331 372	349 514
of which:							
Administrative fees	15	–	1	6	5	3	3
Advertising	1 978	344	88	1 200	320	1 452	1 532
Assets less than the capitalisation threshold	37	94	97	643	705	774	817
Catering: Departmental activities	318	788	785	1 827	1 946	2 090	2 198
Communication	341	355	459	926	1 013	1 097	1 155
Computer services	86	296	368	24 500	34 966	44 406	46 841
Consultants and professional services: Business and advisory services	50	3 981	5 993	3 650	3 458	3 600	3 769
Contractors	5 006	43	10	–	–	–	–
Agency and support / outsourced services	1	383	985	135	154	162	175
Entertainment	2	–	–	12	13	14	15

Table 3.9 Infrastructure and Economic Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Current payments							
<i>Fleet services (including government motor transport)</i>	–	–	–	430	473	520	549
<i>Inventory: Materials and supplies</i>	–	1	63 501	151 242	193 367	252 755	266 591
<i>Inventory: Other consumables</i>	4	19	4	200	220	242	255
<i>Inventory: Stationery and printing</i>	260	508	647	4 059	5 035	9 265	9 770
<i>Lease payments</i>	29	204	129	1 291	1 418	1 561	1 647
<i>Travel and subsistence</i>	5 496	10 811	5 171	7 293	8 724	12 148	12 800
<i>Training and development</i>	112	377	131	126	179	194	204
<i>Operating expenditure</i>	149	235	36	2	7	12	12
<i>Venues and facilities</i>	626	957	1 072	842	942	1 077	1 181
Transfers and subsidies	7 088 008	7 134 009	8 997 416	9 991 641	12 023 743	14 620 302	15 419 053
Provinces and municipalities	6 967 246	6 969 043	8 727 526	9 514 722	11 443 505	13 914 131	14 679 408
Foreign governments and international organisations	139	146	–	489	–	–	–
Public corporations and private enterprises	120 623	164 820	178 890	189 590	192 061	196 593	202 040
Households	–	–	91 000	286 840	388 177	509 578	537 605
Payments for capital assets	189	336	319	4 200	5 600	7 200	7 596
Machinery and equipment	189	336	319	4 200	5 600	7 200	7 596
Total	7 125 381	7 180 194	9 111 748	10 217 545	12 307 878	14 986 206	15 804 884
Details of transfers and subsidies							
Foreign governments and international organisations							
Current	139	146	–	489	–	–	–
Commonwealth Local Government Forum	139	146	–	489	–	–	–
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Capital	6 967 246	6 969 043	8 727 526	9 514 722	11 443 505	13 914 131	14 679 408
Municipal Infrastructure Grant	6 967 246	6 969 043	8 727 526	9 514 722	11 443 505	13 914 131	14 679 408
Households							
Households other transfers							
Current	–	–	91 000	286 840	388 177	509 578	537 605
Community Work Programme	–	–	91 000	286 840	388 177	509 578	537 605
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	120 623	164 820	178 890	189 590	192 061	196 593	202 040
Development Bank of Southern Africa	120 623	164 820	178 890	189 590	192 061	196 593	202 040
Siyenza Manje							

Expenditure trends

Spending over the medium term will focus on making transfers to local government for the municipal infrastructure grant.

Expenditure increased from R7.1 billion in 2007/08 to R10.2 billion in 2010/11, at an average annual rate of 12.8 per cent. The growth is mainly due to transfers for the municipal infrastructure grant, which increased by R2.5 billion over the period to eradicate the backlog in municipal infrastructure. The allocation of R12.7 billion for the municipal infrastructure grant for cities over the MTEF period will be transferred to the Department of Human Settlements, which will focus on accelerating land production and fast-tracking the reduction of informal settlements.

Expenditure is expected to increase from R10.2 billion in 2010/11 to R15.8 billion in 2013/14, at an average annual rate of 15.7 per cent. This is mainly in the *Community Work Programme*, in which expenditure grew by R406 million, as part of government's job creation initiative.

The ratio for administrative to line function costs is 2:1.

Programme 7: Traditional Affairs

- *Management: Head of Traditional Affairs*
- *Policy and Legislation for Traditional Affairs* contributes to the development and review of policy and legislative frameworks on traditional affairs. The subprogramme has a staff complement of 14, and a 2010/11 budget of R10.7 million, of which 56.7 per cent is used for compensation of employees. Over the medium term, at a total cost of R10.4 million, the focus will be on finalising policies on traditional cultural practices with a view to regulating them.
- *Institutional Support and Coordination* provides institutional and capacity building for traditional communities and Khoi-San communities and their respective leadership, coordinates the establishment of intergovernmental relations and partnerships for development and service delivery, and provides support services to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, the Commission on Traditional Leadership Disputes and Claims, and the National House of Traditional Leaders. The subprogramme has a staff complement of 10, and a 2010/11 budget of R7.8 million over the MTEF period, of which 23.5 per cent is used for compensation of employees. In 2010/11, at a total cost of R10.4 million, the assessment instrument for the evaluation of the state of traditional affairs governance was developed for all provinces.
- *National House of Traditional Leaders* transfers funds to the National House of Traditional Leaders, which was established by legislation to represent the interests of the traditional community and advise government. The subprogramme has a staff complement of 22, and a 2010/11 budget of R19 million, of which 59.3 per cent is used for compensation of employees. Over the medium term, the focus will be on the development of policies and legislation on traditional leadership and governance, communal land rights, property rates and other customary obligations, at a total cost of R66.1 million.
- *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities* makes transfers to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.
- *Commission on Traditional Leadership Disputes and Claims* makes transfers to the Commission on Traditional Leadership Disputes and Claim, which focuses on solving the claims and disputes of traditional leadership. The subprogramme has a staff complement of 12, and a 2010/11 budget of R10.6 million, of which 61.2 per cent is used for compensation of employees. Over the medium term, the focus will be on appointing new commissioners at a total cost of R34.2 million.

Objectives and measures

- Ensure the functionality of the Department of Traditional Affairs by establishing its corporate capacity and capability by recruiting suitably skilled staff and training them by December 2011.
- Ensure better alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across provinces and municipalities by March 2011.
- Ensure that traditional communities and Khoi-San communities are empowered by reviewing and developing the national support programme for traditional communities and Khoi-San communities and their governance structures by March 2012.
- Promote and integrate the role and place of traditional affairs and the institution of traditional leadership, including Khoi-San leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government by March 2012.
- Support well functioning traditional leadership institutions across Africa by ensuring that the institution of traditional leadership, including Khoi-San leadership, plays a central role where relevant in the SADC region and in continental forums in 2011/12.

- Promote traditional knowledge by establishing a comprehensive, user friendly database by March 2012.

Expenditure estimates

Table 3.10 Traditional Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Management: Head of Traditional Affairs	–	–	–	4 571	8 809	9 771	11 721
Policy and Legislation for Traditional Affairs	6 552	9 875	9 634	10 728	10 166	11 245	12 087
Institutional Support and Coordination	–	–	–	7 770	11 093	12 663	13 295
National House of Traditional Leaders	13 169	14 926	13 755	19 046	20 701	22 135	23 351
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	15 447	19 996	20 250	21 401	22 150	23 227	24 503
Commission on Traditional Leadership Disputes and Claims	10 573	11 496	12 604	10 561	10 850	11 378	12 003
Total	45 741	56 293	56 243	74 077	83 769	90 419	96 960
Change to 2010 Budget estimate				3 214	2 976	4 698	6 524
Economic classification							
Current payments	29 795	35 563	34 255	52 143	61 264	66 827	72 075
Compensation of employees	10 133	10 855	11 811	31 694	38 561	42 220	45 351
Goods and services	19 662	24 708	22 444	20 449	22 703	24 607	26 724
of which:							
Administrative fees	3	1	1	7	7	8	8
Advertising	161	460	522	868	987	1 047	1 102
Assets less than the capitalisation threshold	51	9	4	86	119	131	138
Audit cost: External	–	–	–	–	11	12	13
Catering: Departmental activities	776	1 058	585	1 445	1 406	1 495	1 577
Communication	681	732	718	522	834	888	939
Computer services	–	–	–	970	1 004	1 070	1 128
Consultants and professional services: Business and advisory services	6 392	6 757	6 653	5 923	3 329	3 546	3 750
Consultants and professional services: Infrastructure and planning	–	–	–	–	1 044	1 101	1 162
Consultants and professional services: Legal costs	216	259	1 337	1 020	1 306	1 382	1 458
Contractors	34	57	10	825	1 629	1 695	1 751
Agency and support / outsourced services	9	263	461	120	133	142	150
Entertainment	–	–	–	53	61	69	74
Inventory: Learner and teacher support material	–	10	–	–	–	–	–
Inventory: Materials and supplies	–	8	–	–	–	–	–
Inventory: Other consumables	–	7	3	–	–	–	–
Inventory: Stationery and printing	131	196	407	925	633	781	737
Lease payments	284	86	20	190	322	348	368
Property payments	–	–	–	–	84	90	95
Travel and subsistence	10 352	13 840	11 381	6 104	8 060	9 059	9 938
Training and development	69	28	15	162	194	157	168
Operating expenditure	355	100	15	614	718	712	749
Venues and facilities	148	837	312	615	822	874	1 419
Transfers and subsidies	15 447	20 194	21 970	21 544	22 150	23 227	24 503
Provinces and municipalities	–	–	–	143	–	–	–
Departmental agencies and accounts	15 447	19 996	20 250	21 401	22 150	23 227	24 503
Households	–	198	1 720	–	–	–	–
Payments for capital assets	499	536	18	390	355	365	382
Machinery and equipment	499	536	18	390	355	365	382
Total	45 741	56 293	56 243	74 077	83 769	90 419	96 960

Table 3.10 Traditional Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	15 447	19 996	20 250	21 401	22 150	23 227	24 503
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	15 447	19 996	20 250	21 401	22 150	23 227	24 503
Households							
Households social benefits							
Current	-	198	-	-	-	-	-
Employee social benefit	-	198	-	-	-	-	-
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	-	-	-	143	-	-	-
Vehicle licences	-	-	-	143	-	-	-
Households							
Households other transfers							
Current	-	-	1 720	-	-	-	-
Traditional leaders act of grace	-	-	1 720	-	-	-	-

Expenditure trends

Over the MTEF period, spending will focus on establishing the programme as a stand-alone department.

Between 2007/08 and 2010/11, expenditure increased from R45.7 million to R74.1 million, at an average annual rate of 17.4 per cent. The growth was due to an additional allocation to build capacity and to fund the National House of Traditional Leaders.

Expenditure is expected to increase to R97 million in 2013/14, at an average annual rate of 9.4 per cent. This growth is the result of building capacity over the medium term for the programme to establish itself as a stand-alone department. The bulk of the increase is reflected in spending in compensation of employees, which is expected to grow by R13.7 million over the medium term.

The ratio for administrative to line function costs is 1:1.2.

Public entities and other agencies

South African Local Government Association

Strategic overview: 2007/08 – 2013/14

The South African Local Government Association was founded in December 1996 and is mandated by the Constitution to assist in the comprehensive transformation of local government. The Organised Local Government Act (1998) recognises the association as representative of organised local government, and allows organised local government to designate up to 10 part-time representatives to the National Council of Provinces in Parliament and to nominate two representatives to the Financial and Fiscal Commission, which advises government on budget issues. The association participates in intergovernmental structures at a provincial and district level, and is therefore able to influence national and provincial legislation and gauge its impact on local government.

The association's strategic framework for 2007–2012 was amended in 2010 to take cognisance of government's new outcomes based approach and the profound changes in the local government environment.

Savings and cost effectiveness measures

The association has identified efficiency savings of R2.4 million in 2011/12 in spending on goods and services. The savings will be realised in consulting fees and contracted services, because most outsourced services will now be provided in-house. The association has also updated its travel and accommodation policies, which now require that economy class air travel and lower grade car hire. The use of members' facilities has been encouraged to minimise facilities hire costs. The association will continue to minimise costs on catering. Savings of R2 million have been identified over the MTEF period.

Selected performance indicators

Table 3.11 South African Local Government Association

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total number of municipalities advised and supported on implementing the impact of climate change framework	Municipal Institutional Development	–	–	–	–	50	150	200
Total number of municipalities supported on implementing a revised performance management system	Municipal Institutional Development	–	–	–	–	20	30	50
Percentage of 237 municipalities (excluding districts) with guidelines on ward committees	Municipal Institutional Development	15% (43/237)	46% (109/237)	71% (169/237)	88% (209/237)	100% (237/237)	–	–
Percentage of all 283 municipalities with a delegations framework	Municipal Institutional Development	15% (43/283)	46% (123/283)	71% (195/283)	88% (239/283)	100% (283/283)	–	–
Total number of provinces in which the HIV and AIDS handbook has been rolled out	Community Development	–	–	3	7	9	–	–
Total number of learning networks, established, revitalised or supported	Governance and Intergovernmental Relations	–	–	2	5	0	10	15

Details of programmes/activities/objectives

Table 3.12 South African Local Government Association

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Community Development	2 348	1 662	3 440	6 494	7 456	7 896	8 330
Economic Development and Development planning	3 688	2 800	7 447	7 581	7 735	8 191	8 642
Governance and Intergovernmental Relations	3 716	5 102	4 445	8 771	9 233	9 778	10 316
Municipal Institutional Development	8 886	8 172	13 445	13 469	8 595	9 090	9 590
Municipal Infrastructure and Services	3 462	5 858	6 814	9 804	9 120	9 658	10 189
Other Objectives	120 263	136 860	167 451	173 336	214 875	232 298	248 512
Total expense	142 363	160 453	203 043	219 455	257 014	276 911	295 579

The total budget allocated to this entity for 2010/11 was R219.5 million, of which 79 per cent was used in the Other Objectives programme, 4 per cent in the Municipal Infrastructure and Services, 6 per cent in the Municipal Institutional Development subprogramme, 4 per cent in the Governance and Intergovernmental Relations programme, and 3 per cent was in the Community Development programme.

Community Development advises municipalities on the creation of safe and liveable communities through providing policy and guidelines. This entails supporting members of the South African Local Government Association on: mainstreaming transversal issues relating to HIV and AIDS, gender, the youth, disability, the elderly, and children; primary healthcare and municipal healthcare issues; disaster management, safety and security from the perspective of compliance and proactive prevention; and human development in terms of

sports, recreation, arts and culture, and poverty alleviation. The programme has a staff complement of 10, and a total budget of R6.5 million, of which 61 per cent is used for compensation of employees.

Economic Development and Planning supports members in improving municipal performance and management practices; and assists municipalities in developing local economic development programmes to ensure that priorities and policies determined at a national level are rolled out at the provincial and local levels; and promotes economic development in poorer and rural municipalities. The programme has a staff complement of 8, and a total budget of R7.6 million, of which 60 per cent is used for compensation of employees.

Governance and Intergovernmental Relations drives intergovernmental relations. This entails participating in forums where local government consults with national or provincial governments. The programme has a staff complement of 12, and a total budget of R8.8 million, of which 64 per cent is used for compensation of employees. The programme is responsible for supporting intergovernmental relations structures in line with the Intergovernmental Framework Relations Act (2005) and coordinates the association's participation in all relevant legislative processes.

Municipal Institutional Development fulfils the employer role in collective bargaining on behalf of the association's members, and provides capacity building and municipal human resource management. The programme has a staff complement of 13, and a total budget of R13.5 million, of which 48 per cent is used for compensation of employees.

Municipal Infrastructure and Services supports member municipalities in identifying common municipal infrastructure service delivery challenges and finds solutions through research; facilitates knowledge sharing; and fulfils a lobbying and advocacy role on policy matters to create an environment conducive to municipal infrastructure service delivery. The programme has a staff complement of 10, and a total budget of R9.8 million, of which 69 per cent is used for compensation of employees.

Expenditure estimates

Table 3.13 South African Local Government Association

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	110 006	123 298	174 318	190 445	227 643	246 300	263 500
Sale of goods and services other than capital assets	100 402	110 166	137 508	147 934	214 923	232 088	247 959
<i>of which:</i>							
<i>Sales by market establishments</i>	100 402	110 166	137 508	147 934	214 923	232 088	247 959
<i>Other non-tax revenue</i>	9 604	13 132	36 810	42 511	12 720	14 212	15 541
Transfers received	16 728	26 865	29 287	29 010	29 371	30 611	32 079
Total revenue	126 734	150 163	203 605	219 455	257 014	276 911	295 579
Expenses							
Current expense	142 363	160 454	203 043	219 455	257 014	276 911	295 579
Compensation of employees	51 338	70 685	91 591	120 072	144 588	153 198	162 284
Goods and services	85 702	84 028	107 050	92 796	107 040	119 529	129 106
Depreciation	3 631	3 250	3 540	5 190	4 031	2 746	2 656
Interest, dividends and rent on land	1 692	2 490	862	1 397	1 355	1 438	1 533
Total expenses	142 363	160 454	203 043	219 455	257 014	276 911	295 579
Surplus / (Deficit)	(15 629)	(10 291)	562	-	-	-	-

Table 3.14 South African Local Government Association

Statement of financial position				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Carrying value of assets	27 978	19 834	19 657	21 838	21 707	20 911	19 255
<i>of which: Acquisition of assets</i>	4 850	5 654	3 818	7 930	3 900	1 950	1 000
Receivables and prepayments	27 669	29 026	38 641	30 246	28 815	30 543	31 575
Cash and cash equivalents	6 092	4 089	610	688	964	3 666	5 661
Total assets	61 739	52 948	58 908	52 772	51 486	55 120	56 491
Accumulated surplus/deficit	11 454	3 160	3 722	3 722	3 722	3 722	3 722
Capital and reserves	6 553	2 260	2 260	2 260	2 260	2 260	2 260
Post-retirement benefits	–	376	357	339	322	306	291
Trade and other payables	30 980	34 156	29 357	37 433	38 550	48 832	50 218
Liabilities not classified elsewhere	12 753	12 997	23 213	9 018	6 632	–	–
Total equity and liabilities	61 739	52 948	58 908	52 772	51 486	55 120	56 491

Expenditure trends

The main sources of revenue for the South African Local Government Association are membership levies from the 283 municipalities, which comprise 83.6 per cent of total revenue (R214.9 million), and the government grant, which comprises 11.6 per cent (R29.4 million) in 2011/12. The association also receives revenue from sponsorships and its capacity building activities.

Personnel information

The association has an establishment of 470 posts, of which 240 are funded. The number of posts filled increased from 230 in 2007/08 to 331 in 2010/11, and is expected to grow to 338 over the medium term. The organisation revised its membership levy formula in 2009/10 to increase its revenue generating capacity, and could thus build capacity to better serve its membership.

There are 139 vacancies within the organisation of which 12 are in level 4 (Professionally qualified and experienced specialists) and 121 are in levels 5 and 6 (Skilled technical and academically qualified workers and support staff). These vacancies are distributed evenly across the programmes and between provinces and the national office. These posts remain vacant because of limited resources; however, the organisation has developed its funding model and made representations to the executive authority and national treasury for a review of its grant allocation.

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

Strategic overview: 2007/08 – 2013/14

The Commission for the Promotion of the Rights of Cultural, Religious and Linguistic Communities promotes and protects cultural, religious and linguistic rights. It is mandated by the Cultural, Religious and Linguistic Communities Act (2002) and the Constitution. The commission focuses on: recovering diminished heritages through research, disseminating its findings, education, and advocacy. The commission also facilitates the resolution of conflicts between individuals, groups and communities. In the process, it engages communities in dialogue over critical areas of their cultural, religious and linguistic rights.

The commission's medium term focus is to protect and develop peace, friendship, humanity, tolerance and national unity among and within cultural, religious and linguistic communities, on the basis of non-discriminatory and free association. To give effect to this objective, the commission plans to investigate 390 cases, develop and publish 63 research reports, host 420 dialogues and round table discussions, and roll out the community councils.

Savings and cost effectiveness measures

The commission has identified savings of R2 million over the MTEF period, mainly on plenary sittings (meetings of the plenary of the commission have been reduced by a third of the time, to limit accommodation

and fees costs for commissioners), by undertaking activities that do not require funding beyond salaries, and freezing the filling of vacant positions.

Selected performance indicators

Table 3.15 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Indicator	Activity/Objective	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of engagements with communities per year (mediations, dialogues, seminars, information sessions and meetings)	Public Education and Advocacy	20	63	78	89	91	96	100
Number of conflict cases resolved per year	Investigation and Conflict Resolution	5	6	7	8	12	15	20

Details of programmes/activities/objectives

Table 3.16 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Investigation and Conflict Resolution	45	805	144	1 670	1 129	1 214	1 305
Research and Policy Development	1 031	940	2 466	3 753	2 342	2 518	2 707
Public Education and Advocacy	1 214	1 216	1 468	1 819	1 056	1 134	1 219
Community Consultation	72	1 136	1 443	1 697	1 056	1 134	1 279
Secretariat and Corporate Governance	4 962	4 923	4 430	5 406	4 673	5 238	5 631
Other Objectives	8 600	13 192	13 814	7 166	11 994	12 039	12 512
Total expense	15 924	22 212	23 765	21 511	22 250	23 277	24 653

The total budget allocated to this entity for 2010/11 was R21.4 million, of which 5.7 per cent was used in the Investigation and Conflict Resolution programme, 11.3 per cent in the Research and Policy Development programme, 5.5 per cent in the Public Education and Advocacy programme, 5.3 per cent in the Community Engagement programme, 28.2 per cent in the Secretariat and Corporate Governance programme, 21.3 per cent in the Financial Administration subprogramme, and 22.3 per cent in the Corporate Services subprogramme.

Investigation and Conflict Resolution promotes peace, friendship, tolerance and mutual respect by investigating violations of cultural, religious and linguistic rights. The programme has a staff complement of 3, and a total budget of R1.3 million, of which 89 per cent is used for compensation of employees.

Research and Policy Development develops an information base of traditional and diminished heritage to promote and protect cultural, religious and linguistic rights. The programme has a staff complement of 5, and a total budget of R2.5 million, of which 93 per cent is used for compensation of employees.

Public Education and Advocacy promotes public understanding of the cultural, religious and linguistic rights of all communities. The programme has a staff complement of 2, and a total budget of R1 million, of which 86 per cent is used for compensation of employees.

Community Engagement promotes community participation through cultural, religious and linguistic community councils. The programme has a staff complement of 2, and a total budget of R1.3 million, of which 85 per cent is used for compensation of employees. Capacity building ensures that the commission's community structures are established and selected members are capacitated through conferences.

Secretariat and Corporate Governance provides corporate governance and secretarial services to the commission. The programme has a staff complement of 7, and 15 part time commissioners. The total budget is R6.3 million, of which 83 per cent is used for compensation of employees.

Financial Administration provides administrative support to the commission, including managing procurement and financial management. The programme has a staff complement of 6, and a total budget of R4.7 million, of which 47 per cent is used for compensation of employees. Members provide administrative support through financial policy reviews and effective procurement.

Corporate Services improves the performance management system and ensures an effective IT system. The programme has a staff complement of 5, and a total budget of R4.9 million, of which 53 per cent is used for the lease of office buildings.

Expenditure estimates

Table 3.17 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	334	336	116	110	100	50	150
Other non-tax revenue	334	336	116	110	100	50	150
Transfers received	15 447	19 996	20 250	21 401	22 150	23 227	24 503
Total revenue	15 781	20 332	20 366	21 511	22 250	23 277	24 653
Expenses							
Current expense	15 924	22 212	23 765	21 511	22 250	23 277	24 653
Compensation of employees	7 782	11 134	13 446	13 784	13 218	14 648	16 688
Goods and services	7 682	10 577	9 690	7 314	8 612	8 209	7 550
Depreciation	366	374	504	298	290	280	265
Interest, dividends and rent on land	94	127	125	115	130	140	150
Total expenses	15 924	22 212	23 765	21 511	22 250	23 277	24 653
Surplus / (Deficit)	(143)	(1 880)	(3 399)	-	-	-	-

Expenditure trends

The commission's main source of income is government transfers. Transfers grew from R15.4 million in 2007/08 to R21.4 million in 2010/11, at an average annual rate of 11.5 per cent. Transfers are expected to grow to R24.5 million in 2013/14, at an average annual rate of 4.6 per cent.

Expenditure grew from R15.9 million in 2007/08 to R21.5 million in 2010/11, at an average rate of 10.5 per cent. The growth is attributed to escalations in administrative expenses, such as internal and external audit fees, lease agreements and compensation of employees. Over the MTEF period, expenditure is expected to grow to R24.7 million in 2013/14, at an average annual rate of 4.6 per cent, mainly as a result of the baseline adjustment as stipulated by National Treasury.

The commission has incurred deficits of R143 000, R1.9 million and R3.4 million between 2007/08 and 2009/10, due to cost of living adjustments that were not budgeted for, as well increased building and equipment leases. Deficits were funded from funds retained with the approval of National Treasury. The retained funds are depleted, and commission will have to downgrade its activities accordingly.

Personnel information

The commission has an approved establishment of 83 posts, of which 44 are funded and 2 are additional to the approved establishment. The number of posts filled decreased from 45 in 2007/08 to 44 in 2010/11, and is expected to remain at 44 over the MTEF period. The lack of significant growth is based on funding limitations.

Municipal Demarcation Board

Strategic overview: 2007/08 – 2013/14

In terms of section 155(3)(b) of the Constitution, the Municipal Demarcation Board is an independent authority responsible for determining municipal boundaries. The board's independence is also protected by section 3 of the Local Government Municipal Demarcation Act (1998) and various judgements by the Constitutional Court. In addition to determining and re-determining municipal boundaries, the board is also mandated to declare district management areas, delimit wards for local elections, and assess the capacity of municipalities to perform their functions.

Over the MTEF period, the board has identified the following strategic objectives as its focus over the medium term: determine and re-determine municipal boundaries; categorise municipalities appropriately; assess municipalities' capacity effectively; ensure that the board is supported by an effective and efficient organisational structure; ensure good corporate governance and sound financial management; and strengthen stakeholder relations.

Savings and cost effectiveness measures

Over the MTEF period, Cabinet identified savings of R3 million from the board's baseline allocation. These savings will be realised by implementing the following measures: implementing telephone management systems to reduce the telephone expenditure, scrutinising all expenditure incurred for cost effectiveness and necessary approval, ensuring that all expenditure incurred is value adding and discarding non-value adding expenses, and ensuring good financial management practices.

Selected performance indicators

Table 3.18 Municipal Demarcation Board

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of new capacity assessments completed per year	Capacity assessments							
- district municipalities		47	46	46	44	44	44	44
- local municipalities		231	231	231	226	226	226	226
- metro municipalities		6	6	6	8	8	8	8
Percentage of total requests for changes to boundaries finalised or auctioned	Boundary re-determination	100%	100%	- ¹	- ¹	100%	100%	100%

1. Ward delimitation process, in preparation for 2011 local government elections.

Details of programmes/objectives/activities

Table 3.19 Municipal Demarcation Board

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Assessment of Capacity of District and Local Municipalities	4 020	4 308	-	4 933	5 000	5 969	6 566
Determination and Redetermination of Municipal Boundaries	-	1 140	-	-	4 804	5 079	5 586
Delimitation of Wards	-	-	7 310	5 740	-	-	-
Human Resources Management	6 800	8 224	10 705	10 216	13 013	14 167	15 848
Other Objectives	5 043	10 947	9 624	16 963	16 522	15 640	15 058
Total expense	15 863	24 619	27 639	37 852	39 339	40 855	43 058

The total budget allocated to this entity for 2010/11 was R37.9 million, of which 45 per cent was used in the Other Objective programme, 27 per cent in the Human Resources Management programme, 15 per cent in the Determination and Redetermination of Municipal Boundaries and the Delimitation of Wards programmes and 13 per cent in the Assessment of Capacity of District and Local Municipalities programme.

Assessment of Capacity of District and Local Municipalities provides advice to the members of the executive council for local government in their decision to adjust powers and functions between district and local municipalities. This programme is outsourced and has a total budget of R4.9 million.

The **Determination and Redetermination of Municipal Boundaries** and the **Delimitation of Wards** programmes contribute to free and fair elections and promote democracy by ensuring that boundaries are finalised in time for local government elections. These programmes have a staff complement of 16, and total budget of R5.7 million.

Other Objectives includes finance and supply chain management, and research and implementation.

Expenditure estimates

Table 3.20 Municipal Demarcation Board

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome						
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	395	532	730	665	857	493	480
Other non-tax revenue	395	532	730	665	857	493	480
Transfers received	20 664	25 420	34 557	37 187	38 482	40 362	42 578
Total revenue	21 059	25 952	35 287	37 852	39 339	40 855	43 058
Expenses							
Current expense	15 863	24 619	27 639	37 852	39 339	40 855	43 058
Compensation of employees	6 800	8 224	10 705	12 296	13 264	14 167	15 848
Goods and services	8 299	15 674	16 167	24 750	25 364	25 977	26 499
Depreciation	625	540	666	806	711	711	711
Interest, dividends and rent on land	139	181	101	–	–	–	–
Total expenses	15 863	24 619	27 639	37 852	39 339	40 855	43 058
Surplus / (Deficit)	5 196	1 333	7 648	–	–	–	–
Statement of financial position							
Carrying value of assets	1 225	1 008	2 567	5 637	5 737	5 737	5 737
of which: Acquisition of assets	186	385	2 225	3 915	811	711	711
Inventory	75	110	169	256	110	110	–
Receivables and prepayments	66	443	621	416	650	550	450
Cash and cash equivalents	7 185	8 996	16 878	13 128	13 254	13 059	10 528
Assets not classified elsewhere	–	62	–	–	–	–	–
Total assets	8 551	10 619	20 235	19 437	19 751	19 456	16 715
Accumulated surplus/deficit	6 058	7 391	15 039	15 039	15 039	15 039	15 039
Borrowings	100	–	–	–	–	–	–
Trade and other payables	1 933	2 615	4 379	3 473	3 458	3 202	326
Provisions	460	463	817	925	1 254	1 215	1 350
Liabilities not classified elsewhere	–	150	–	–	–	–	–
Total equity and liabilities	8 551	10 619	20 235	19 437	19 751	19 456	16 715

Expenditure trends

The board's main source of income is government transfers. Transfers grew from R20.7 million in 2007/08 to R37.2 million in 2010/11, at an average annual rate of 21.6 per cent. Over the MTEF period, transfers are expected to grow to R42.6 million, at an average annual rate of 4.6 per cent.

Expenditure grew from R15.8 million in 2007/08 to R37.9 million in 2010/11, at an average annual rate of 33.6 per cent, due to increasing costs to run programmes, as well as annual adjustments to staff remuneration. Over the MTEF period, expenditure is expected to grow to R43.1 million in 2013/14, at an average annual rate of 4.4 per cent, for the same reasons.

Personnel information

The board has an establishment of 25 posts, of which 24 are funded. The number of posts filled increased from 19 in 2007/08 to 25 in 2010/11, and is expected to grow to 34 over the MTEF period. The growth is based on an organisational design exercise undertaken to enhance the board's operations.

Additional tables

Table 3.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2009/10		2009/10	2010/11			2010/11
Administration	154 933	180 933	179 330	188 131	9 791	197 922	197 922
Policy, Research and Knowledge Management	85 209	66 764	44 949	50 076	(1 908)	48 168	48 168
Governance and Intergovernmental Relations	23 909 757	24 944 441	23 736 819	30 275 985	390 400	30 666 385	30 666 385
Disaster Response Management	35 511	95 687	62 181	41 563	251 677	293 240	293 240
Provincial and Municipal Government Systems	212 093	249 961	209 569	253 400	(2 190)	251 210	251 210
Infrastructure and Economic Development	8 505 263	8 444 074	9 372 543	10 216 880	665	10 217 545	10 217 545
Traditional Affairs	56 496	56 496	56 243	70 863	3 214	74 077	74 077
Total	32 959 262	34 038 356	33 661 634	41 096 898	651 649	41 748 547	41 748 547
Economic classification							
Current payments	379 864	499 025	443 329	619 563	41 513	661 076	661 076
Compensation of employees	194 133	172 325	165 709	246 500	(14 439)	232 061	232 061
Goods and services	185 731	326 700	277 444	373 063	55 952	429 015	429 015
Interest and rent on land	–	–	176	–	–	–	–
Transfers and subsidies	32 571 197	33 526 006	33 209 970	40 464 027	605 313	41 069 340	41 069 340
Provinces and municipalities	32 486 297	33 343 931	32 848 187	39 894 669	605 313	40 499 982	40 499 982
Departmental agencies and accounts	78 109	78 109	78 109	83 213	–	83 213	83 213
Foreign governments and international organisations	116	146	–	489	–	489	489
Public corporations and private enterprises	–	–	178 890	189 590	–	189 590	189 590
Non-profit institutions	4 815	8 315	9 315	9 104	–	9 104	9 104
Households	1 860	95 505	95 469	286 962	–	286 962	286 962
Payments for capital assets	8 201	13 320	8 070	13 308	4 723	18 031	18 031
Machinery and equipment	8 201	13 320	8 070	11 608	4 723	16 331	16 331
Software and other intangible assets	–	–	–	1 700	–	1 700	1 700
Payments for financial assets	–	5	265	–	100	100	100
Total	32 959 262	34 038 356	33 661 634	41 096 898	651 649	41 748 547	41 748 547

Table 3.B Detail of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Department	647	647	–	559	549	428	647	647	700	954
Salary level 1 – 6	167	167	–	237	241	139	167	167	170	245
Salary level 7 – 10	228	228	–	133	125	121	228	228	260	341
Salary level 11 – 12	106	106	–	81	79	73	106	106	116	166
Salary level 13 – 16	146	146	–	108	104	95	146	146	154	202
Administration	284	284	–	206	220	162	284	284	310	498
Salary level 1 – 6	79	79	–	82	91	58	79	79	81	144
Salary level 7 – 10	105	105	–	58	54	47	105	105	116	167
Salary level 11 – 12	38	38	–	27	31	24	38	38	49	83
Salary level 13 – 16	62	62	–	39	44	33	62	62	64	104
Policy, Research and Knowledge Management	56	56	–	96	78	56	56	56	58	65
Salary level 1 – 6	21	21	–	37	37	15	21	21	21	22
Salary level 7 – 10	17	17	–	17	13	10	17	17	18	20
Salary level 11 – 12	7	7	–	20	14	12	7	7	8	11
Salary level 13 – 16	11	11	–	22	14	19	11	11	11	12

Table 3.B Detail of approved establishment and personnel numbers according to salary level ¹ (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ² 2010/11	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Governance and Intergovernmental Relations	60	60	-	56	61	52	60	60	68	79
Salary level 1 – 6	16	16	-	31	39	22	16	16	16	18
Salary level 7 – 10	22	22	-	11	11	16	22	22	25	31
Salary level 11 – 12	10	10	-	8	8	11	10	10	10	12
Salary level 13 – 16	12	12	-	6	3	3	12	12	17	18
Disaster Response Management	50	50	-	20	22	17	50	50	55	63
Salary level 1 – 6	16	16	-	3	3	3	16	16	16	17
Salary level 7 – 10	14	14	-	7	8	6	14	14	17	21
Salary level 11 – 12	9	9	-	5	5	5	9	9	11	13
Salary level 13 – 16	11	11	-	5	6	3	11	11	11	12
Provincial and Municipal Government Systems	54	54	-	61	75	44	54	54	70	81
Salary level 1 – 6	12	12	-	31	45	12	12	12	15	18
Salary level 7 – 10	18	18	-	10	10	12	18	18	26	31
Salary level 11 – 12	10	10	-	6	6	6	10	10	12	14
Salary level 13 – 16	14	14	-	14	14	14	14	14	17	18
Infrastructure and Economic Development	67	67	-	78	52	52	67	67	56	67
Salary level 1 – 6	16	16	-	40	14	14	16	16	12	14
Salary level 7 – 10	19	19	-	15	15	15	19	19	22	27
Salary level 11 – 12	17	17	-	8	8	8	17	17	10	12
Salary level 13 – 16	15	15	-	15	15	15	15	15	12	14
Traditional Affairs	76	76	-	42	41	45	76	76	83	101
Salary level 1 – 6	7	7	-	13	12	15	7	7	9	12
Salary level 7 – 10	33	33	-	15	14	15	33	33	36	44
Salary level 11 – 12	15	15	-	7	7	7	15	15	16	21
Salary level 13 – 16	21	21	-	7	8	8	21	21	22	24

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

2. As at 30 September 2010.

Table 3.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compensation of employees (R thousand)	128 146	153 753	165 709	232 061	232 862	245 894	258 093
Training expenditure (R thousand)	2 292	1 663	1 769	2 419	5 034	5 211	5 524
Training as percentage of compensation of employees	1.8%	1.1%	1.1%	1.0%	2.2%	2.1%	2.1%
Total number trained in department (head count)	501	501	501	506			
of which:							
Internships trained (head count)	26	26	26	26			

Table 3.D Summary of conditional grants to provinces and municipalities ¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Conditional grants to provinces							
Disaster Response Management							
Disaster Relief Grant	–	29 730	–	214 398	–	–	–
Provincial Disaster Grant	–	–	–	–	305 000	180 000	190 000
Total	–	29 730	–	214 398	305 000	180 000	190 000
Provincial and Municipal Government System							
Municipal Systems Improvement Grant	200 000	200 000	200 000	212 000	219 420	230 096	242 734
Infrastructure and Economic Development							
Municipal Infrastructure Grant	6 967 246	6 969 043	8 727 526	9 514 722	11 443 505	13 914 131	14 679 408
Disaster Response Management							
Disaster Relief Grant	–	17 317	60 800	–	–	–	–
Municipal Disaster Grant	–	–	–	–	470 000	330 000	350 000
Total	7 167 246	7 186 360	8 988 326	9 726 722	12 132 925	14 474 227	15 272 142

1. Detail provided in the Division of Revenue Act (2011).

Table 3.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2010/11	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand												
Foreign												
In cash												
Danish International Development Agency	Anti-corruption training	Governance and Intergovernmental Relations	6 032	Goods and services	Train senior officials and political office bearers in ethics	–	1 492	3 848	1 184	–	–	–
Danish International Development Agency	Project to consolidate knowledge management	Governance and Intergovernmental Relations	44 112	Goods and services	Provide knowledge management	1 119	837	–	–	–	–	–
European Union	Masibambane	Governance and Intergovernmental Relations	8 372	Goods and services	Support municipal urban renewal programme	6 034	3 425	8 372	–	–	–	–
European Union	Public participation and empowerment	Governance and Intergovernmental Relations	96 524	Goods and services	Expand and strengthen community based participation in local government	–	808	32 090	48 134	16 300	–	–
United Kingdom Department for International Development	Community work programme	Infrastructure and Economic Development	15 000	Goods and services	Implement the community work programme	–	–	–	15 000	–	–	–
In kind												
European Union	Pilot sebenza nathi Initiative	Governance and Intergovernmental Relations	11 797	Goods and services	Support South Africa's growth strategy programme	–	–	–	11 797	–	–	–
European Union	Strengthening communities of diversity and peace	Governance and Intergovernmental Relations	13 500	Goods and services	Strengthen communities of diversity and peace	–	–	–	13 500.0	–	–	–
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Strengthening local government support programme	Governance and Intergovernmental Relations	104 563	Goods and services	Improve municipal service delivery, resilience and vibrancy of local economies, and strengthen local democracy	29 718	53 750	44 563	33 750	26 250	–	–
Italy	Decentralisation and local development policies in South Africa	Governance and Intergovernmental Relations	44 112	Goods and services	Support the process of administrative decentralisation of South Africa with a view to consolidate the role of local institutions towards democratisation and peace	–	–	32 112	12 000	–	–	–

Table 3.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand												
United States Agency for International Development	Local government support programme	Governance and Intergovernmental Relations	11 673	Goods and services	Support programme to local government	25 390	15 090	27 136	7 587	–	–	–
United States Agency for International Development	Local government support increasing sustainable local government	Governance and Intergovernmental Relations	2 517	Goods and services	Increase sustainable local government	16 072	30 211	–	–	–	–	–
United States Agency for International Development	Increased sustainable local governance service	Governance and Intergovernmental Relations	63 222	Goods and services	Increase sustainable local government	–	–	–	12 299	21 072	21 072	8 779
Local In cash												
African Renaissance Fund	Support to the Democratic Republic of the Congo on decentralisation of local government	Governance and Intergovernmental Relations	11 673	Goods and services	Provide support to the Democratic Republic of the Congo on decentralisation	–	1 414	–	10 259	–	–	–
Total			433 097			78 333	107 027	148 121	165 510	63 622	21 072	8 779

Table 3.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
Municipal infrastructure grant transfers	Eradicate the backlog in municipal infrastructure for providing basic services to poor household	Various	72 674 809	6 967 246	6 969 043	8 727 526	9 514 722	11 500 221	13 983 093	14 752 163
Total			72 674 809	6 967 246	6 969 043	8 727 526	9 514 722	11 500 221	13 983 093	14 752 163



**ESTIMATES
OF NATIONAL
EXPENDITURE** **2011**

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