

Estimates of National Expenditure 2023

Vote 3: Cooperative Governance

**National Treasury
Republic of South Africa**



Vote 3

Cooperative Governance

Budget summary

R million	2023/24				2024/25	2025/26
	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total	Total
MTEF allocation						
Administration	339.8	–	11.4	351.3	359.4	377.7
Intergovernmental Support	137.4	19 069.0	–	19 206.4	20 073.0	20 970.5
Intergovernmental Policy and Governance	245.5	96 672.3	–	96 917.8	104 168.3	109 769.0
National Disaster Management Centre	84.2	841.5	6.5	932.2	634.6	659.6
Community Work Programme	4 285.2	–	5.5	4 290.7	4 482.6	4 699.1
Total expenditure estimates	5 092.1	116 582.8	23.4	121 698.3	129 717.9	136 475.9

Executive authority Minister of Cooperative Governance and Traditional Affairs

Accounting officer Director-General of Cooperative Governance

Website www.cogta.gov.za

The Estimates of National Expenditure is available at www.treasury.gov.za. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.za.

Vote purpose

Improve cooperative governance across the three spheres of government, in partnership with provinces, municipalities, civil society and communities, to enable accelerated service delivery.

Mandate

The Department of Cooperative Governance is mandated to develop and monitor the implementation of national policy and legislation to enable government to fulfil its developmental role; develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and promote sustainable development by providing support and exercising oversight of provincial, local government and its entities. This mandate is derived from the following legislation:

- the Municipal Structure Act (1998)
- the Municipal Systems Act (2000)
- the Disaster Management Act (2002)
- the Municipal Property Rates Act (2004)
- the Intergovernmental Relations Framework Act (2005).

Selected performance indicators

Table 3.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Percentage of municipalities spending on municipal infrastructure grant per year	Intergovernmental Support		100% (R14.8bn)	100% (R14.5bn)	100% (R15.6bn)	100%	100%	100%	100%
Total number of districts and metros implementing the district-metro development model	Intergovernmental Support	Priority 5: Spatial integration, human settlements and local government	– ¹	– ¹	52	52	52	52	52
Number of municipalities assessed and guided to comply with the rating criteria of the Municipal Property Rates Act (2004) per year	Intergovernmental Policy and Governance		71	71	40	71	71	74	74

Table 3.1 Performance indicators by programme and related priority (continued)

Indicator	Programme	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of municipalities in priority district areas supported to prevent, prepare and mitigate disaster risks through the implementation of applicable disaster management plans	National Disaster Management Centre	Priority 5: Spatial integration, human settlements and local government	– ¹	– ¹	10	10	10	10	10
Total number of work opportunities provided through the community work programme	Community Work Programme	Priority 2: Economic transformation and job creation	280 206	250 000	263 259	250 000	250 000	250 000	250 000

1. No historical data available.

Expenditure overview

Over the medium term, the department will continue to focus on: increasing access to basic services, mitigating against the risk of disasters, and creating income security in areas of high unemployment.

Total expenditure is expected to increase at an average annual rate of 5.9 per cent, from R115 billion in 2022/23 to R136.5 billion in 2025/26. Transfers to provinces and municipalities account for an estimated 95.4 per cent (R370.3 billion) of the department's total budget over the MTEF period for the *local government equitable share* and the *municipal infrastructure grant*. Expenditure on compensation of employees is expected to increase at an average annual rate of 1 per cent, from R366.2 million in 2022/23 to R377.7 million in 2025/26. This low increase reflects the anticipated decrease in the number of personnel from 585 in 2022/23 to 511 in 2025/26 due to natural attrition.

Increasing access to basic services

The local government equitable share is an unconditional transfer that supplements the revenue raised by municipalities to perform their functions. It funds the operations and maintenance of free basic services, and subsidises the cost of administration for municipalities with the least potential to cover these costs from their own revenue. The local government equitable share comprises an estimated 81.8 per cent (R306.9 billion) of the department's spending over the medium term. These funds are made available in the *Intergovernmental Policy and Governance* programme, allocations to which are expected to increase at an average annual rate of 7.8 per cent, from R87.7 billion in 2022/23 to R109.8 billion in 2025/26. To compensate municipalities for the increased cost of bulk electricity and water, an additional R8.1 billion over the MTEF period is allocated to the local government equitable share.

The *municipal infrastructure grant* and the *integrated urban development grant* supplement municipalities' capital budgets. The *municipal infrastructure grant* is aimed at reducing municipal infrastructure backlogs in poor communities by providing access to basic services such as water, sanitation, solid waste removal, roads and community lighting. The *integrated urban development grant* is aimed at supporting investments in public infrastructure in an effort to create functioning urban spaces. To ensure that funds from these grants are spent for their intended purposes, 52 municipalities per year over the period ahead are expected to implement the district development model, which seeks to leverage integrated and collaborative planning among the 3 spheres of government to facilitate better service delivery. These grants are funded through the *Intergovernmental Support* programme and account for a combined 15.9 per cent (R58.7 billion) of the department's total spending over the MTEF period.

Mitigating against the risk of disasters

Over the medium term, the department plans to continue to mitigate against the risk of disasters and build resilience by supporting 30 priority district municipalities that are considered most vulnerable to implement disaster management plans. These activities are funded through the *Disaster Risk Reduction and Capacity Development* subprogramme, which is allocated R149.5 million over the medium term. Overall expenditure in the *National Disaster Management Centre* programme is expected to decrease at an average annual rate of 46.4 per cent, from R4.3 billion in 2022/23 to R659.6 million in 2025/26.

Creating income security in areas of high unemployment

To support government's employment initiatives, over the period ahead, the department aims to maintain 250 000 participants in the community work programme, especially in areas of high unemployment. Expenditure for these activities is within the *Community Work Programme* programme's allocation of R13.5 billion over the medium term.

Expenditure trends and estimates

Table 3.2 Vote expenditure trends and estimates by programme and economic classification

Programmes											
1. Administration											
2. Intergovernmental Support											
3. Intergovernmental Policy and Governance											
4. National Disaster Management Centre											
5. Community Work Programme											
Programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
R million	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		
Programme 1	300.7	285.3	321.6	317.5	1.8%	0.3%	351.3	359.4	377.7	6.0%	0.3%
Programme 2	16 093.5	15 878.3	17 316.3	18 466.0	4.7%	16.8%	19 206.4	20 073.0	20 970.5	4.3%	15.7%
Programme 3	65 913.5	83 330.0	76 754.1	87 701.8	10.0%	77.7%	96 917.8	104 168.3	109 769.0	7.8%	79.2%
Programme 4	646.3	330.8	524.9	4 290.7	87.9%	1.4%	932.2	634.6	659.6	-46.4%	1.3%
Programme 5	3 827.8	3 481.5	3 526.3	4 251.4	3.6%	3.7%	4 290.7	4 482.6	4 699.1	3.4%	3.5%
Total	86 782.0	103 305.8	98 443.1	115 027.4	9.8%	100.0%	121 698.3	129 717.9	136 475.9	5.9%	100.0%
Change to 2022 Budget estimate				3 662.6			2 472.4	2 298.5	3 348.1		
Economic classification											
Current payments	4 358.7	1 804.0	4 166.7	5 022.0	4.8%	3.8%	5 092.1	5 329.6	5 570.6	3.5%	4.2%
Compensation of employees	321.5	326.6	337.5	366.2	4.4%	0.3%	346.7	361.9	377.7	1.0%	0.3%
Goods and services ¹	4 037.2	1 477.3	3 829.2	4 655.7	4.9%	3.5%	4 745.4	4 967.7	5 192.9	3.7%	3.9%
of which:											
Minor assets	10.3	9.3	12.3	2.3	-39.1%	0.0%	236.2	258.6	281.6	394.0%	0.2%
Consultants: Business and advisory services	377.1	321.5	323.3	1 533.1	59.6%	0.6%	288.6	298.3	296.1	-42.2%	0.5%
Contractors	2 931.7	696.6	2 875.4	1 946.0	-12.8%	2.1%	3 289.9	3 405.0	3 524.2	21.9%	2.4%
Agency and support/outsourced services	0.1	0.1	59.5	1.8	163.3%	0.0%	270.2	284.9	300.5	448.1%	0.2%
Consumable supplies	337.7	183.6	245.4	192.9	-17.0%	0.2%	189.5	200.9	212.9	3.3%	0.2%
Training and development	148.8	58.3	58.7	108.4	-10.0%	0.1%	240.3	284.4	323.1	43.9%	0.2%
Transfers and subsidies¹	82 352.9	101 449.2	94 231.5	109 963.4	10.1%	96.1%	116 582.8	124 372.9	130 891.8	6.0%	95.8%
Provinces and municipalities	81 899.9	98 819.3	93 148.8	109 419.0	10.1%	95.0%	116 103.2	123 872.0	130 368.5	6.0%	95.4%
Departmental agencies and accounts	442.1	486.0	734.8	510.8	4.9%	0.5%	461.0	481.7	503.2	-0.5%	0.4%
Foreign governments and international organisations	0.3	0.3	0.3	2.2	92.4%	0.0%	1.6	1.6	1.7	-8.4%	0.0%
Non-profit institutions	7.9	7.5	8.2	15.0	24.0%	0.0%	15.0	15.6	16.3	2.9%	0.0%
Households	2.7	2 136.1	339.4	16.4	83.4%	0.6%	2.0	2.0	2.0	-50.4%	0.0%
Payments for capital assets	70.3	52.4	44.8	42.1	-15.7%	0.1%	23.4	15.3	13.5	-31.6%	0.0%
Buildings and other fixed structures	4.6	1.4	7.4	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Machinery and equipment	65.7	49.8	35.7	42.1	-13.8%	0.0%	23.4	15.3	13.5	-31.6%	0.0%
Biological assets	-	1.2	1.6	-	0.0%	0.0%	-	-	-	0.0%	0.0%
Payments for financial assets	0.1	0.3	0.1	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Total	86 782.0	103 305.8	98 443.1	115 027.4	9.8%	100.0%	121 698.3	129 717.9	136 475.9	5.9%	100.0%

1. Tables with expenditure trends, annual budget, adjusted appropriation and audited outcome are available at www.treasury.gov.za and www.vulekamali.gov.za.

Transfers and subsidies expenditure trends and estimates

Table 3.3 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2022/23	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average Expenditure/ Total (%)
	2019/20	2020/21	2021/22		2019/20	2022/23	2023/24	2024/25	2025/26		
Households											
Social benefits											
Current	2 471	2 135 966	2 246	3 250	9.6%	0.6%	2 000	2 000	2 000	-14.9%	-
Employee social benefits	2 330	2 135 966	2 246	1 250	-18.7%	0.6%	-	-	-	-100.0%	-
Bursaries for non-employees	141	-	-	2 000	142.1%	-	2 000	2 000	2 000	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	442 123	485 958	734 834	510 836	4.9%	0.6%	460 966	481 668	503 246	-0.5%	0.4%
Municipal Demarcation Board	64 268	63 017	70 601	74 340	5.0%	0.1%	73 104	76 387	79 809	2.4%	0.1%
Municipal Infrastructure Support Agent	343 976	339 749	628 864	400 216	5.2%	0.4%	351 454	367 238	383 690	-1.4%	0.3%
Municipal Infrastructure Support Agent: Improving labour intensity in infrastructure	-	50 000	-	-	-	-	-	-	-	-	-
South African Local Government Association	33 879	33 192	35 369	36 280	2.3%	-	36 408	38 043	39 747	3.1%	-
Households											
Other transfers to households											
Current	185	169	337 165	13 123	314.0%	0.1%	-	-	-	-100.0%	-
Employee social benefits	150	169	1 384	258	19.8%	-	-	-	-	-100.0%	-
Non-returning local government councillors	35	-	335 781	12 865	616.3%	0.1%	-	-	-	-100.0%	-
Provinces and municipalities											
Municipal bank accounts											
Current	65 627 290	83 102 391	76 168 618	87 311 615	10.0%	80.5%	96 546 258	103 772 035	109 368 064	7.8%	82.4%
Vehicle licences	27	17	37	122	65.3%	-	-	-	-	-100.0%	-
Local Government Equitable Share	65 627 263	83 102 374	76 168 581	87 311 493	10.0%	80.5%	96 546 258	103 772 035	109 368 064	7.8%	82.4%
Capital	15 806 218	15 578 403	16 932 087	22 010 445	11.7%	18.1%	19 411 144	19 947 561	20 841 212	-1.8%	17.1%
Integrated Urban Development Grant	856 895	936 368	1 009 068	1 085 368	8.2%	1.0%	1 172 448	1 227 120	1 284 110	5.8%	1.0%
Municipal Infrastructure Grant	14 816 103	14 491 065	15 592 748	16 842 001	4.4%	15.9%	17 545 049	18 330 970	19 150 183	4.4%	14.9%
Municipal Disaster Response Grant	-	150 970	330 271	764 334	-	0.3%	372 732	389 471	406 919	-19.0%	0.4%
Municipal Disaster Recovery Grant	133 220	-	-	3 318 742	192.1%	0.9%	320 915	-	-	-100.0%	0.8%
Foreign governments and international organisations											
Current	314	330	316	2 236	92.4%	-	1 576	1 647	1 721	-8.4%	-
Commonwealth Local Government Forum	314	330	316	666	28.5%	-	-	-	-	-100.0%	-
United Cities and Local Governments of Africa – Moroccan office	-	-	-	1 570	-	-	1 576	1 647	1 721	3.1%	-
Non-profit institutions											
Current	7 864	7 512	8 161	15 005	24.0%	-	14 963	15 635	16 336	2.9%	-
South African Cities Network	7 765	7 512	8 161	8 508	3.1%	-	8 538	8 921	9 321	3.1%	-
Disaster Management Institute of Southern Africa	99	-	-	94	-1.7%	-	-	-	-	-100.0%	-
United Cities and Local Governments of Africa – South African regional office	-	-	-	6 403	-	-	6 425	6 714	7 015	3.1%	-
Provinces and municipalities											
Provincial revenue funds											
Capital	466 392	138 489	48 100	96 914	-40.8%	0.2%	145 843	152 393	159 220	18.0%	0.1%
Provincial disaster response grant	466 392	138 489	48 100	96 914	-40.8%	0.2%	145 843	152 393	159 220	18.0%	0.1%
Total	82 352 857	101 449 218	94 231 527	109 963 424	10.1%	100.0%	116 582 750	124 372 939	130 891 799	6.0%	100.0%

Personnel information

Table 3.4 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2023		Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2022/23 - 2025/26						
		2021/22			2022/23			2023/24		2024/25		2025/26								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost		
Cooperative Governance		539	78	547	337.5	0.6	585	366.2	0.6	507	346.7	0.7	493	361.9	0.7	511	377.7	0.7	-4.4%	100.0%
Salary level		539	78	547	337.5	0.6	585	366.2	0.6	507	346.7	0.7	493	361.9	0.7	511	377.7	0.7	-4.4%	100.0%
1 – 6		185	45	190	49.7	0.3	216	56.9	0.3	151	41.4	0.3	144	43.6	0.3	155	48.0	0.3	-10.5%	31.7%
7 – 10		131	5	131	59.1	0.5	133	60.4	0.5	128	58.3	0.5	127	62.2	0.5	129	64.8	0.5	-1.0%	24.6%
11 – 12		101	2	101	93.7	0.9	108	103.6	1.0	103	101.7	1.0	99	103.2	1.0	100	106.6	1.1	-2.3%	19.5%
13 – 16		103	9	103	133.0	1.3	107	143.5	1.3	104	143.4	1.4	103	150.9	1.5	106	156.2	1.5	-0.4%	20.1%
Other		19	17	22	1.8	0.1	21	1.9	0.1	21	1.9	0.1	21	2.0	0.1	21	2.1	0.1	-	4.0%
Programme		539	78	547	337.5	0.6	585	366.2	0.6	507	346.7	0.7	493	361.9	0.7	511	377.7	0.7	-4.4%	100.0%
Programme 1		293	69	293	156.6	0.5	296	164.5	0.6	275	157.8	0.6	266	164.7	0.6	275	171.9	0.6	-2.4%	53.1%
Programme 2		110	6	110	74.4	0.7	103	74.9	0.7	95	69.2	0.7	93	72.2	0.8	95	75.4	0.8	-2.4%	18.3%
Programme 3		84	2	89	72.3	0.8	82	69.9	0.9	88	78.4	0.9	87	81.8	0.9	91	85.4	0.9	3.7%	16.6%
Programme 4		30	1	31	24.9	0.8	32	29.8	0.9	30	28.3	0.9	30	29.5	1.0	30	30.8	1.0	-2.1%	5.8%
Programme 5		22	-	24	9.3	0.4	72	27.1	0.4	19	13.1	0.7	18	13.6	0.7	19	14.2	0.7	-35.5%	6.1%

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

2. Rand million.

Departmental receipts

Table 3.5 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2019/20	2020/21	2021/22					2022/23	2023/24	2024/25		
R thousand												
Departmental receipts	1 577	11 861	18 634	4 241	4 241	39.1%	100.0%	2 674	2 861	3 210	-8.9%	100.0%
Sales of goods and services produced by department	210	207	274	699	699	49.3%	3.8%	806	811	910	9.2%	24.8%
Sales by market establishments	210	207	172	650	650	45.7%	3.4%	805	811	910	11.9%	24.5%
of which:												
Rental parking: Covered and open	210	207	172	650	650	45.7%	3.4%	700	705	800	7.2%	22.0%
Sale of assets <R5 000	-	-	-	-	-	-	-	105	106	110	-	2.5%
Other sales	-	-	102	49	49	-	0.4%	1	-	-	-100.0%	0.4%
of which:												
Capital equipment	-	-	-	48	48	-	0.1%	-	-	-	-100.0%	0.4%
Services rendered:	-	-	101	-	-	-	0.3%	-	-	-	-	-
Commission on insurance and garnishee	-	-	-	-	-	-	-	-	-	-	-	-
Replacement of security cards	-	-	1	1	1	-	-	1	-	-	-100.0%	-
Sales of scrap, waste, arms and other used current goods	-	-	-	-	-	-	-	5	-	-	-	-
of which:												
Sales of paper	-	-	-	-	-	-	-	5	-	-	-	-
Interest, dividends and rent on land	620	619	861	1 042	1 042	18.9%	8.7%	1 208	1 400	1 600	15.4%	40.4%
Interest	620	619	8	1 042	1 042	18.9%	6.3%	-	-	-	-100.0%	8.0%
Dividends	-	-	853	-	-	-	2.3%	1 208	1 400	1 600	-	32.4%
of which:												
Bank accounts	-	-	853	-	-	-	2.3%	1 208	1 400	1 600	-	32.4%
Sales of capital assets	253	-	372	-	-	-100.0%	1.7%	-	-	-	-	-
Transactions in financial assets and liabilities	494	11 035	17 127	2 500	2 500	71.7%	85.8%	655	650	700	-34.6%	34.7%
Total	1 577	11 861	18 634	4 241	4 241	39.1%	100.0%	2 674	2 861	3 210	-8.9%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 3.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million											
Ministry	41.0	30.5	35.2	31.9	-8.0%	11.3%	34.0	36.5	38.3	6.3%	10.0%
Management	17.4	17.4	16.6	21.1	6.7%	5.9%	27.7	30.3	31.8	14.6%	7.9%
Corporate Services	136.5	133.8	145.9	146.3	2.3%	45.9%	153.9	148.4	155.4	2.0%	43.0%
Financial Services	37.1	41.5	51.0	52.3	12.1%	14.9%	48.8	52.2	54.9	1.6%	14.8%
Internal Audit and Risk management	13.9	11.3	11.3	14.9	2.3%	4.2%	12.2	12.8	13.4	-3.3%	3.8%
Office Accommodation	54.9	50.9	61.6	51.1	-2.4%	17.8%	74.7	79.2	84.0	18.0%	20.6%
Total	300.7	285.3	321.6	317.5	1.8%	100.0%	351.3	359.4	377.7	6.0%	100.0%
Change to 2022				16.3			68.6	64.3	5.7		
Budget estimate											
Economic classification											
Current payments	289.4	278.9	314.3	311.5	2.5%	97.5%	339.8	348.0	366.2	5.5%	97.1%
Compensation of employees	149.7	149.4	156.6	164.5	3.2%	50.6%	157.8	164.7	171.9	1.5%	46.9%
Goods and services	139.7	129.4	157.7	147.0	1.7%	46.8%	182.0	183.3	194.3	9.7%	50.3%
<i>of which:</i>											
<i>Audit costs: External</i>	10.2	13.3	15.8	11.0	2.3%	4.1%	16.6	17.6	18.6	19.3%	4.5%
<i>Computer services</i>	16.1	15.8	18.3	11.1	-11.7%	5.0%	23.3	20.0	21.8	25.4%	5.4%
<i>Agency and support/outsourced services</i>	0.0	-	-	1.8	1122.0%	0.1%	19.0	20.1	21.3	127.0%	4.4%
<i>Rental and hiring</i>	41.8	10.9	-	38.6	-2.6%	7.5%	58.8	62.4	66.1	19.6%	16.1%
<i>Property payments</i>	20.4	11.8	30.6	16.6	-6.5%	6.5%	15.9	16.9	17.9	2.4%	4.8%
<i>Travel and subsistence</i>	16.2	1.8	10.6	12.3	-8.7%	3.3%	9.9	14.8	15.8	8.7%	3.8%
Transfers and subsidies	2.2	0.4	2.8	2.1	-1.9%	0.6%	-	-	-	-100.0%	0.2%
Provinces and municipalities	0.0	0.0	0.0	0.1	89.2%	-	-	-	-	-100.0%	-
Foreign governments and international organisations	-	-	-	0.7	-	0.1%	-	-	-	-100.0%	-
Households	2.2	0.4	2.8	1.3	-15.8%	0.6%	-	-	-	-100.0%	0.1%
Payments for capital assets	9.0	5.8	4.5	3.9	-24.0%	1.9%	11.4	11.4	11.5	42.7%	2.7%
Machinery and equipment	9.0	5.8	4.5	3.9	-24.0%	1.9%	11.4	11.4	11.5	42.7%	2.7%
Payments for financial assets	0.1	0.3	0.1	-	-100.0%	-	-	-	-	-	-
Total	300.7	285.3	321.6	317.5	1.8%	100.0%	351.3	359.4	377.7	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.3%	-	-	0.3%	0.3%	0.3%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	2.1	0.4	1.5	1.2	-17.8%	0.4%	-	-	-	-100.0%	0.1%
Employee social benefits	2.1	0.4	1.5	1.2	-17.8%	0.4%	-	-	-	-100.0%	0.1%
Households											
Other transfers to households											
Current	0.1	0.0	1.3	0.1	15.0%	0.1%	-	-	-	-100.0%	-
Employee social benefits	0.1	0.0	1.3	0.1	15.0%	0.1%	-	-	-	-100.0%	-
Foreign governments and international organisations											
Current	-	-	-	0.7	-	0.1%	-	-	-	-100.0%	-
Commonwealth Local Government Forum	-	-	-	0.7	-	0.1%	-	-	-	-100.0%	-

Personnel information

Table 3.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2023			Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22			2022/23			2023/24		2024/25		2025/26		2022/23 - 2025/26				
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		Number	Cost	Unit cost	
Administration			293	156.6	0.5	296	164.5	0.6	275	157.8	0.6	266	164.7	0.6	275	171.9	0.6	-2.4%	100.0%
Salary level	293	69	293	156.6	0.5	296	164.5	0.6	275	157.8	0.6	266	164.7	0.6	275	171.9	0.6	-2.4%	100.0%
1 – 6	132	44	132	32.7	0.2	127	33.2	0.3	112	28.5	0.3	106	30.3	0.3	113	32.9	0.3	-3.9%	41.1%
7 – 10	62	5	62	20.8	0.3	67	23.1	0.3	64	21.9	0.3	64	24.3	0.4	64	24.8	0.4	-1.5%	23.3%
11 – 12	43	1	43	39.1	0.9	50	47.8	1.0	48	46.0	1.0	45	46.3	1.0	46	48.0	1.0	-2.8%	17.0%
13 – 16	46	9	46	63.2	1.4	42	59.6	1.4	42	60.5	1.4	41	62.9	1.5	42	65.3	1.6	0.1%	15.0%
Other	10	10	10	0.8	0.1	10	0.9	0.1	10	0.9	0.1	10	1.0	0.1	10	1.0	0.1	-	3.6%

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

2. Rand million.

Programme 2: Intergovernmental Support

Programme purpose

Facilitate and coordinate improvements in the functionality of provinces and municipalities. Strengthen coordination across the different spheres of government and support improvements in the delivery of services to households and communities.

Objectives

- Improve reporting and accountability at provincial and local government level by providing legislative and policy oversight on an ongoing basis.
- Coordinate and facilitate the development of municipal infrastructure by transferring the *municipal infrastructure grant* and the *integrated urban development grant* to extend services to unserved communities in terms of the annual Division of Revenue Act on an ongoing basis.
- Support the development and maintenance of municipal infrastructure through partnerships with the Municipal Infrastructure Support Agent, sector departments and other entities on an ongoing basis.
- Target and facilitate the restructuring of the municipal spatial economy through integrated development planning by March 2025.
- Ensure improved service delivery at 140 municipalities by providing support and monitoring integrated plans and capacity building programmes by March 2025.

Subprogrammes

- *Management: Intergovernmental Support* provides strategic leadership to the programme to ensure compliance with the departmental mandate and the achievement of targets in line with the district development model.
- *Municipal and Provincial Governance Support and Capacity Building* ensures improved service delivery through the development, implementation and monitoring of integrated plans and capacity building programmes.
- *Municipal Infrastructure Delivery Support* ensures alignment between One Plans for each identified district and metro that sets out the service delivery challenges and opportunities for growth and development in each area; infrastructure development plans; and annual performance plans. This is to support the development, implementation and monitoring of municipal infrastructure projects by informing and supporting municipal, district and metro funding mechanisms, and grants.
- *Municipal Infrastructure Grant* makes transfers to supplement the capital budgets of municipalities to address the infrastructure investment priorities of poor households.
- *Integrated Urban Development Grant* makes transfers to intermediate city municipalities to supplement their capital budgets for the implementation of the objectives of the integrated urban development framework.

- *Municipal Infrastructure Support Agent* makes transfers to help municipalities build in-house capacity and provide technical support for the sustained development of municipal infrastructure.

Expenditure trends and estimates

Table 3.8 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Management: Intergovernmental Support	3.4	2.8	5.8	7.6	31.4%	–	61.0	63.8	64.7	103.9%	0.3%
Municipal and Provincial Governance Support and Capacity Building	73.2	58.3	79.8	130.8	21.3%	0.5%	76.4	83.8	87.8	-12.4%	0.5%
Municipal Infrastructure Grant	14 816.1	14 491.1	15 592.7	16 842.0	4.4%	91.1%	17 545.0	18 331.0	19 150.2	4.4%	91.3%
Integrated Urban Development Grant	856.9	936.4	1 009.1	1 085.4	8.2%	5.7%	1 172.4	1 227.1	1 284.1	5.8%	6.1%
Municipal Infrastructure Support Agent	344.0	389.7	628.9	400.2	5.2%	2.6%	351.5	367.2	383.7	-1.4%	1.9%
Total	16 093.5	15 878.3	17 316.3	18 466.0	4.7%	100.0%	19 206.4	20 073.0	20 970.5	4.3%	100.0%
Change to 2022 Budget estimate				46.6			(18.1)	(14.6)	3.5		
Economic classification											
Current payments	76.3	60.9	85.0	138.4	21.9%	0.5%	137.4	147.6	152.5	3.3%	0.7%
Compensation of employees	53.2	55.8	74.4	74.9	12.1%	0.4%	69.2	72.2	75.4	0.2%	0.4%
Goods and services	23.1	5.1	10.6	63.5	40.1%	0.2%	68.2	75.4	77.2	6.7%	0.4%
of which:											
Administrative fees	0.7	0.1	0.1	1.1	14.9%	–	1.7	1.7	1.7	15.3%	–
Catering: Departmental activities	1.4	0.4	0.5	6.9	71.4%	–	0.5	0.6	0.6	-55.9%	–
Computer services	0.6	0.1	3.6	0.7	7.5%	–	0.6	0.7	0.7	-2.5%	–
Consultants: Business and advisory services	6.9	0.7	1.5	17.9	37.3%	–	50.0	52.0	52.3	42.9%	0.2%
Travel and subsistence	12.1	2.9	2.9	15.4	8.4%	–	9.4	14.0	15.0	-0.9%	0.1%
Venues and facilities	–	–	0.1	1.2	–	–	4.4	4.7	5.1	59.4%	–
Transfers and subsidies	16 017.1	15 817.3	17 231.1	18 327.6	4.6%	99.5%	19 069.0	19 925.3	20 818.0	4.3%	99.3%
Provinces and municipalities	15 673.0	15 427.4	16 601.8	17 927.4	4.6%	96.9%	18 717.5	19 558.1	20 434.3	4.5%	97.4%
Departmental agencies and accounts	344.0	389.7	628.9	400.2	5.2%	2.6%	351.5	367.2	383.7	-1.4%	1.9%
Households	0.1	0.1	0.4	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.1	0.0	0.2	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	0.1	0.0	0.2	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Total	16 093.5	15 878.3	17 316.3	18 466.0	4.7%	100.0%	19 206.4	20 073.0	20 970.5	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	18.5%	15.4%	17.6%	16.1%	–	–	15.8%	15.5%	15.4%	–	–
Details of transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	15 673.0	15 427.4	16 601.8	17 927.4	4.6%	96.9%	18 717.5	19 558.1	20 434.3	4.5%	97.4%
Integrated Urban Development Grant	856.9	936.4	1 009.1	1 085.4	8.2%	5.7%	1 172.4	1 227.1	1 284.1	5.8%	6.1%
Municipal Infrastructure Grant	14 816.1	14 491.1	15 592.7	16 842.0	4.4%	91.1%	17 545.0	18 331.0	19 150.2	4.4%	91.3%
Households											
Social benefits											
Current	0.0	–	0.3	–	-100.0%	–	–	–	–	–	–
Employee social benefits	0.0	–	0.3	–	-100.0%	–	–	–	–	–	–
Households											
Other transfers to households											
Current	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Employee social benefits	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	344.0	389.7	628.9	400.2	5.2%	2.6%	351.5	367.2	383.7	-1.4%	1.9%
Municipal Infrastructure Support Agent	344.0	339.7	628.9	400.2	5.2%	2.5%	351.5	367.2	383.7	-1.4%	1.9%
Municipal Infrastructure Support Agent: Improving labour intensity in infrastructure	–	50.0	–	–	–	0.1%	–	–	–	–	–

Personnel information

Table 3.9 Intergovernmental Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2023			Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average: Salary level/ Total (%)			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22			2022/23			2023/24		2024/25		2025/26		2022/23 - 2025/26				
Intergovernmental Support			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		Number	Cost	Unit cost	
Salary level	110	6	110	74.4	0.7	103	74.9	0.7	95	69.2	0.7	93	72.2	0.8	95	75.4	0.8	-2.4%	100.0%
1 – 6	17	–	17	5.0	0.3	11	3.4	0.3	11	3.3	0.3	10	3.2	0.3	10	3.3	0.3	-3.1%	10.9%
7 – 10	30	–	30	15.4	0.5	28	14.1	0.5	25	12.1	0.5	25	12.9	0.5	26	13.5	0.5	-2.4%	27.0%
11 – 12	30	–	30	26.3	0.9	27	24.7	0.9	25	23.3	0.9	24	23.9	1.0	24	24.2	1.0	-3.7%	26.0%
13 – 16	27	–	27	27.1	1.0	31	32.2	1.1	28	29.9	1.1	28	31.7	1.2	29	33.8	1.2	-1.6%	29.8%
Other	6	6	6	0.5	0.1	6	0.6	0.1	6	0.6	0.1	6	0.6	0.1	6	0.6	0.1	–	6.2%

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

2. Rand million.

Programme 3: Intergovernmental Policy and Governance

Programme purpose

Facilitate efficient municipal administrative systems. Coordinate policy. Conduct research, monitoring and evaluation to build institutional resilience in provinces and municipalities.

Objectives

- Strengthen accountability through the implementation of the local government anti-corruption strategy in 140 municipalities by March 2025.
- Support municipalities in improving financial sustainability and revenue management by developing simplified revenue plans, property and consumer databases, record management systems, and organograms aligned with municipal functions on an ongoing basis.
- Strengthen municipal finances by monitoring the implementation of the Municipal Property Rates Act (2004) by municipalities on an ongoing basis.
- Strengthen the functionality of municipalities by developing and implementing human resources and administrative systems, in line with the Municipal Systems Act (2000), by March 2025.
- Strengthen municipal governance by monitoring the functionality of council committees on an ongoing basis.
- Support the effective management of cooperative governance systems by:
 - strengthening intergovernmental reporting and communication, and revising a framework for local government powers and functions by March 2025
 - tabling the Intergovernmental Monitoring, Support and Intervention Bill by March 2024.

Subprogrammes

- *Management: Intergovernmental Policy and Governance* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets.
- *Municipal Administration and Capacity* determines remuneration for senior managers in municipalities, and monitors and enforces compliance with appointment, performance and disciplinary regulations. This subprogramme also rolls out competency assessments for senior managers, and training and workshops on the implementation of municipal staff regulations.
- *Municipal Funding and Revenue Support* provides support to municipalities, monitors municipalities' implementation of free basic services policies, and ensures legislative adherence to the annual Division of Revenue Act. This subprogramme also administers the management information system for the *municipal infrastructure grant* to assist processes and procedures, and oversees the regulation of the valuation and rating of properties in terms of the Municipal Property Rates Act (2004).

- *Development Planning* coordinates the implementation of the national framework for local economic development to ensure the institutionalisation of long-term infrastructure planning and asset management practices.
- *Municipal Demarcation Board* makes transfers to fund operational activities such as capacity assessments, ward delimitation and boundary redeterminations. This subprogramme transfers its budget to the Municipal Demarcation Board in full.
- *South African Cities Network* makes transfers to the South African Cities Network to fund operational activities, including enabling cooperation between South African cities. This subprogramme transfers its budget to the network in full.
- *Municipal Governance* ensures the appropriate division of powers and functions between local and district municipalities. This subprogramme also promotes ethics and implements strategies to combat corruption.
- *Research and Knowledge Management* researches, collates and benchmarks best practices in local and international government management to enhance policy development and implementation.
- *South African Local Government Association* makes transfers to the South African Local Government Association to fund operational activities, including its participation in intergovernmental structures and legislatures.
- *United Cities and Local Governments of Africa* makes transfers to United Cities and Local Governments of Africa to fund operational activities, enhance cooperation and knowledge sharing among local governments in Africa, and improve the delivery of services to communities across the continent.
- *Local Government Equitable Share* is the share of nationally raised revenue payable to local government in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households and the creation of greater institutional capacity in weaker municipalities.
- *Municipal Systems Improvement Grant* provides technical assistance and support to municipalities to build in-house capacity to perform their functions, and to stabilise institutional and governmental systems, as required by the Municipal Systems Act (2000), the Municipal Property Rates Act (2004) and related legislation.

Expenditure trends and estimates

Table 3.10 Intergovernmental Policy and Governance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2023/24	2024/25		
R million											
Management: Intergovernmental Policy and Governance	1.2	1.1	3.6	3.7	46.4%	–	4.3	4.7	4.9	10.0%	–
Municipal Administration and Capacity	9.6	13.8	10.7	10.6	3.2%	–	20.0	20.9	13.7	8.9%	–
Municipal Funding and Revenue Support	22.3	32.0	30.5	35.5	16.9%	–	24.8	26.3	27.5	-8.2%	–
Development Planning	36.6	25.9	23.6	35.4	-1.1%	–	16.9	18.2	19.1	-18.6%	–
Municipal Demarcation Board	64.3	63.0	70.6	74.3	5.0%	0.1%	73.1	76.4	79.8	2.4%	0.1%
South African Cities Network	7.8	7.5	8.2	8.5	3.1%	–	8.5	8.9	9.3	3.1%	–
Municipal Governance	10.5	9.6	344.6	25.5	34.7%	0.1%	15.2	15.7	16.4	-13.8%	–
Research and Knowledge Management	14.8	13.4	12.5	12.1	-6.6%	–	17.8	25.7	21.8	21.9%	–
South African Local Government Association	33.9	33.2	35.4	36.3	2.3%	–	36.4	38.0	39.7	3.1%	–
United Cities and Local Governments of Africa	–	–	–	8.0	–	–	8.0	8.4	8.7	3.1%	–
Local Government Equitable Share	65 627.3	83 102.4	76 168.6	87 311.5	10.0%	99.5%	96 546.3	103 772.0	109 368.1	7.8%	99.6%
Municipal Systems Improvement Grant	85.4	28.0	45.9	140.3	18.0%	0.1%	146.5	153.1	160.0	4.5%	0.2%
Total	65 913.5	83 330.0	76 754.1	87 701.8	10.0%	100.0%	96 917.8	104 168.3	109 769.0	7.8%	100.0%
Change to 2022 Budget estimate				6.2			2 443.5	2 276.7	3 336.8		

Table 3.10 Intergovernmental Policy and Governance expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2019/20	2020/21	2021/22				2022/23	2019/20	2022/23			2023/24
R million												
Current payments	179.9	123.3	135.0	250.3	11.6%	0.2%	245.5	264.6	263.3	1.7%	0.3%	
Compensation of employees	64.5	66.1	72.3	69.9	2.7%	0.1%	78.4	81.8	85.4	6.9%	0.1%	
Goods and services	115.5	57.2	62.7	180.3	16.0%	0.1%	167.1	182.7	177.9	-0.4%	0.2%	
<i>of which:</i>												
<i>Catering: Departmental activities</i>	0.9	0.0	0.2	1.9	27.5%	–	0.3	0.4	0.4	-42.5%	–	
<i>Communication</i>	0.5	0.8	0.9	2.8	73.7%	–	0.6	0.8	0.6	-38.9%	–	
<i>Computer services</i>	3.5	3.8	0.6	0.9	-36.1%	–	2.2	2.3	2.4	38.2%	–	
<i>Consultants: Business and advisory services</i>	99.3	38.8	48.4	148.5	14.4%	0.1%	162.2	173.3	170.0	4.6%	0.2%	
<i>Consumables: Stationery, printing and office supplies</i>	0.4	0.3	0.2	3.2	104.4%	–	0.3	0.5	0.4	-52.2%	–	
<i>Travel and subsistence</i>	7.8	2.2	2.3	10.3	9.5%	–	1.1	4.3	3.7	-29.0%	–	
Transfers and subsidies	65 733.6	83 206.6	76 619.1	87 451.5	10.0%	99.8%	96 672.3	103 903.7	109 505.7	7.8%	99.7%	
Provinces and municipalities	65 627.3	83 102.4	76 168.6	87 311.5	10.0%	99.5%	96 546.3	103 772.0	109 368.1	7.8%	99.6%	
Departmental agencies and accounts	98.1	96.2	106.0	110.6	4.1%	0.1%	109.5	114.4	119.6	2.6%	0.1%	
Foreign governments and international organisations	0.3	0.3	0.3	1.6	71.0%	–	1.6	1.6	1.7	3.1%	–	
Non-profit institutions	7.8	7.5	8.2	14.9	24.3%	–	15.0	15.6	16.3	3.1%	–	
Households	0.1	0.2	336.0	12.9	421.6%	0.1%	–	–	–	-100.0%	–	
Payments for capital assets	0.0	0.1	–	–	-100.0%	–	–	–	–	–	–	
Machinery and equipment	0.0	0.1	–	–	-100.0%	–	–	–	–	–	–	
Payments for financial assets	0.0	–	–	–	-100.0%	–	–	–	–	–	–	
Total	65 913.5	83 330.0	76 754.1	87 701.8	10.0%	100.0%	96 917.8	104 168.3	109 769.0	7.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	76.0%	80.7%	78.0%	76.2%	–	–	79.6%	80.3%	80.4%	–	–	
Details of transfers and subsidies												
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	65 627.3	83 102.4	76 168.6	87 311.5	10.0%	99.5%	96 546.3	103 772.0	109 368.1	7.8%	99.6%	
Local Government Equitable Share	65 627.3	83 102.4	76 168.6	87 311.5	10.0%	99.5%	96 546.3	103 772.0	109 368.1	7.8%	99.6%	
Non-profit institutions												
Current	7.8	7.5	8.2	14.9	24.3%	–	15.0	15.6	16.3	3.1%	–	
South African Cities Network	7.8	7.5	8.2	8.5	3.1%	–	8.5	8.9	9.3	3.1%	–	
United Cities and Local Governments of Africa – South African regional office	–	–	–	6.4	–	–	6.4	6.7	7.0	3.1%	–	
Households												
Social benefits												
Current	0.1	0.2	0.3	0.0	-18.6%	–	–	–	–	-100.0%	–	
Employee social benefits	0.1	0.2	0.3	0.0	-18.6%	–	–	–	–	-100.0%	–	
Households												
Other transfers to households												
Current	–	–	335.8	12.9	–	0.1%	–	–	–	-100.0%	–	
Non-returning local government councillors	–	–	335.8	12.9	–	0.1%	–	–	–	-100.0%	–	
Foreign governments and international organisations												
Current	–	–	–	1.6	–	–	1.6	1.6	1.7	3.1%	–	
United Cities and Local Governments of Africa – Moroccan office	–	–	–	1.6	–	–	1.6	1.6	1.7	3.1%	–	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	98.1	96.2	106.0	110.6	4.1%	0.1%	109.5	114.4	119.6	2.6%	0.1%	
South African Local Government Association	33.9	33.2	35.4	36.3	2.3%	–	36.4	38.0	39.7	3.1%	–	
Municipal Demarcation Board	64.3	63.0	70.6	74.3	5.0%	0.1%	73.1	76.4	79.8	2.4%	0.1%	

Personnel information

Table 3.11 Intergovernmental Policy and Governance personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2023			Number and cost ² of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/ Total (%)
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22			2022/23			2023/24			2024/25			2025/26			2022/23 - 2025/26	
Intergovernmental Policy and Governance			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	84	2	89	72.3	0.8	82	69.9	0.9	88	78.4	0.9	87	81.8	0.9	91	85.4	0.9	3.7%	100.0%
1 – 6	20	1	25	8.0	0.3	23	7.7	0.3	21	7.1	0.3	21	7.6	0.4	24	8.9	0.4	1.4%	25.5%
7 – 10	26	–	26	16.7	0.6	24	16.2	0.7	27	18.2	0.7	27	19.3	0.7	29	20.7	0.7	5.9%	30.6%
11 – 12	15	1	15	17.0	1.1	13	15.4	1.2	16	19.2	1.2	15	19.1	1.3	15	19.4	1.3	4.7%	16.9%
13 – 16	21	–	21	30.4	1.4	20	30.5	1.5	22	33.7	1.5	22	35.7	1.6	22	36.3	1.7	3.2%	24.6%
Other	2	–	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	–	2.3%

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

2. Rand million.

Programme 4: National Disaster Management Centre

Programme purpose

Promote an integrated and coordinated system of disaster management with special emphasis on prevention and mitigation by all role players and stakeholders.

Objectives

- Reduce disaster risk by facilitating:
 - the development, assessment and implementation of multisector disaster management plans across local government on an ongoing basis
 - education, training, public awareness and research for all relevant role players and within communities on an ongoing basis.
- Oversee institutional disaster management systems and improve legislative compliance by reviewing and amending regulatory and policy frameworks for disaster management on an ongoing basis.
- Improve and strengthen disaster management systems for all common disasters such as drought, floods, fire and disease in all provinces by raising public awareness about the effects and management of disasters on an ongoing basis.
- Coordinate effective, integrated disaster management and fire services by developing, strengthening and managing regulatory and institutional frameworks on an ongoing basis.
- Promote a culture of risk avoidance among stakeholders and role players by providing capacity for them through integrated education, training and public awareness programmes informed by scientific research on an ongoing basis.

Subprogrammes

- *Management: Head Disaster Management Centre* provides strategic leadership to the programme.
- *Disaster Policy, Institutional Development and Compliance* facilitates the establishment of the requirements for effective institutional arrangements in the national sphere of government to ensure the integrated and coordinated implementation of disaster risk management policy and legislation, and the application of the principles of cooperative governance.
- *Disaster Risk Reduction and Capacity Development* facilitates the development, assessment and implementation of multisectoral frameworks and plans to reduce and manage disaster risk. This subprogramme also promotes education, training, public awareness and research among role players and communities to improve disaster risk avoidance, reduce disaster risk and build community resilience.
- *Disaster Preparedness, Response and Recovery Coordination* develops and oversees the implementation of response and recovery strategies and projects, following a disaster, in an integrated manner.
- *Municipal Disaster Recovery Grant* aims to rehabilitate and reconstruct municipal infrastructure damaged by disasters. This subprogramme makes transfers only when a disaster has been declared.

- *Disaster Response Grant* aims to provide immediate relief for legally classified disasters. This subprogramme makes transfers only when a disaster has been classified.

Expenditure trends and estimates

Table 3.12 National Disaster Management Centre expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2019/20	2020/21	2021/22				2022/23	2019/20	2022/23			2023/24
R million												
Management: Head National Disaster Management Centre	18.1	21.9	24.0	35.3	24.9%	1.7%	23.8	22.3	23.3	-13.0%	1.6%	
Disaster Policy, Institutional Development and Compliance	10.5	6.9	9.3	12.5	5.8%	0.7%	11.0	11.3	10.7	-5.1%	0.7%	
Disaster Risk Reduction and Capacity Development	3.3	3.0	1.4	4.9	14.3%	0.2%	49.2	50.2	50.1	116.7%	2.4%	
Disaster Preparedness, Response and Recovery Coordination	14.8	9.5	111.8	58.0	57.7%	3.3%	8.6	8.9	9.4	-45.6%	1.3%	
Municipal Disaster Recovery Grant	133.2	–	–	3 318.7	192.1%	59.6%	320.9	–	–	-100.0%	55.8%	
Disaster Response Grant	466.4	289.5	378.4	861.2	22.7%	34.4%	518.6	541.9	566.1	-13.1%	38.2%	
Total	646.3	330.8	524.9	4 290.7	87.9%	100.0%	932.2	634.6	659.6	-46.4%	100.0%	
Change to 2022 Budget estimate				3 638.4			(17.2)	(22.1)	1.1			
Economic classification												
Current payments	44.8	40.4	139.2	105.4	33.0%	5.7%	84.2	87.0	89.6	-5.3%	5.6%	
Compensation of employees	24.8	24.4	24.9	29.8	6.3%	1.8%	28.3	29.5	30.8	1.1%	1.8%	
Goods and services	20.0	16.0	114.4	75.6	55.7%	3.9%	55.9	57.6	58.8	-8.0%	3.8%	
<i>of which:</i>												
<i>Catering: Departmental activities</i>	0.6	0.7	0.3	0.5	-3.1%	–	0.3	0.3	0.3	-18.5%	–	
<i>Computer services</i>	4.3	4.0	0.3	9.0	27.6%	0.3%	10.0	10.6	12.5	11.7%	0.6%	
<i>Consultants: Business and advisory services</i>	4.8	0.9	95.0	58.2	129.4%	2.7%	42.5	41.5	40.5	-11.4%	2.8%	
<i>Fleet services (including government motor transport)</i>	0.1	0.1	–	0.0	-57.0%	–	0.3	0.3	0.3	249.2%	–	
<i>Travel and subsistence</i>	3.8	1.0	0.1	4.2	4.0%	0.2%	1.2	3.1	3.3	-7.9%	0.2%	
<i>Training and development</i>	2.2	1.4	0.1	0.4	-44.8%	0.1%	0.1	0.7	0.8	29.2%	–	
Transfers and subsidies	599.9	289.5	378.6	4 182.2	91.0%	94.1%	841.5	543.9	568.1	-48.6%	94.1%	
Provinces and municipalities	599.6	289.5	378.4	4 180.0	91.0%	94.0%	839.5	541.9	566.1	-48.6%	94.0%	
Non-profit institutions	0.1	–	–	0.1	-1.7%	–	–	–	–	-100.0%	–	
Households	0.2	0.1	0.2	2.1	114.2%	–	2.0	2.0	2.0	-1.8%	0.1%	
Payments for capital assets	1.6	0.9	7.0	3.1	24.2%	0.2%	6.5	3.7	1.8	-16.6%	0.2%	
Machinery and equipment	1.6	0.9	7.0	3.1	24.2%	0.2%	6.5	3.7	1.8	-16.6%	0.2%	
Payments for financial assets	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–	
Total	646.3	330.8	524.9	4 290.7	87.9%	100.0%	932.2	634.6	659.6	-46.4%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.7%	0.3%	0.5%	3.7%	–	–	0.8%	0.5%	0.5%	–	–	
Details of transfers and subsidies												
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Capital	133.2	151.0	330.3	4 083.1	212.9%	81.1%	693.6	389.5	406.9	-53.6%	85.5%	
Municipal Disaster Response Grant	–	151.0	330.3	764.3	–	21.5%	372.7	389.5	406.9	-19.0%	29.7%	
Municipal Disaster Recovery Grant	133.2	–	–	3 318.7	192.1%	59.6%	320.9	–	–	-100.0%	55.8%	
Households												
Social benefits												
Current	0.2	0.1	0.2	2.0	110.3%	–	2.0	2.0	2.0	–	0.1%	
Employee social benefits	0.1	0.1	0.2	–	-100.0%	–	–	–	–	–	–	
Bursaries for non-employees	0.1	–	–	2.0	142.1%	–	2.0	2.0	2.0	–	0.1%	
Households												
Other transfers to households												
Current	–	–	–	0.1	–	–	–	–	–	-100.0%	–	
Employee social benefits	–	–	–	0.1	–	–	–	–	–	-100.0%	–	
Provinces and municipalities												
Provinces												
Provincial revenue funds												
Capital	466.4	138.5	48.1	96.9	-40.8%	12.9%	145.8	152.4	159.2	18.0%	8.5%	
Provincial Disaster Response Grant	466.4	138.5	48.1	96.9	-40.8%	12.9%	145.8	152.4	159.2	18.0%	8.5%	

Personnel information

Table 3.13 National Disaster Management Centre personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2023			Number and cost ² of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/ Total (%)			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate									2022/23 - 2025/26				
			2021/22			2022/23			2023/24			2024/25			2025/26							
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
National Disaster Management Centre			30	1		31	24.9	0.8	32	29.8	0.9	30	28.3	0.9	30	29.5	1.0	30	30.8	1.0	-2.1%	100.0%
Salary level			3	1.2	0.4	3	1.3	0.4	3	1.2	0.4	3	1.3	0.4	3	1.4	0.5	3	1.4	0.5	-	9.8%
1-6			9	4.6	0.5	9	4.9	0.5	9	4.9	0.5	8	4.7	0.6	8	4.8	0.6	8	4.8	0.6	-2.8%	28.2%
7-10			10	8.8	0.9	12	11.2	0.9	10	9.5	0.9	10	10.1	1.0	11	11.1	1.0	11	11.1	1.0	-3.5%	36.0%
11-12			7	10.1	1.4	7	12.3	1.8	7	12.5	1.8	7	13.3	1.9	7	13.5	1.9	7	13.5	1.9	-	22.8%
13-16			1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	-	3.3%
Other																						

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

Programme 5: Community Work Programme

Programme purpose

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

Objective

- Provide and maintain 250 000 work opportunities per year over the medium term by managing programmes and strategic partnerships effectively and efficiently.

Subprogrammes

- *Coordination, Partnerships and Implementation* ensures the effective management and coordination of partnerships and special projects with both the private and public sectors to meet the objective of the programme.
- *Monitoring and Evaluation* provides oversight and monitors the implementation of projects to ensure adherence to the programme’s norms and standards so that set targets are achieved.

Expenditure trends and estimates

Table 3.14 Community Work Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22		2019/20	2022/23	2023/24	2024/25	2025/26	2022/23	2025/26	
	R million											
Coordination, Partnerships and Implementation	3 802.8	3 455.6	3 510.8	4 227.5	3.6%	99.4%	4 229.7	4 436.7	4 645.9	3.2%	99.0%	
Monitoring and Evaluation	25.1	25.9	15.5	23.9	-1.6%	0.6%	61.0	45.8	53.2	30.5%	1.0%	
Total	3 827.8	3 481.5	3 526.3	4 251.4	3.6%	100.0%	4 290.7	4 482.6	4 699.1	3.4%	100.0%	
Change to 2022 Budget estimate				(45.0)			(4.5)	(5.9)	1.0			

Table 3.14 Community Work Programme expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
R million											
Current payments	3 768.3	1 300.5	3 493.2	4 216.4	3.8%	84.7%	4 285.2	4 482.4	4 698.9	3.7%	99.8%
Compensation of employees	29.3	30.9	9.3	27.1	-2.6%	0.6%	13.1	13.6	14.2	-19.3%	0.4%
Goods and services	3 738.9	1 269.5	3 483.9	4 189.3	3.9%	84.1%	4 272.1	4 468.7	4 684.7	3.8%	99.4%
of which:											
Administrative fees	13.6	13.6	26.3	9.9	-10.0%	0.4%	31.8	29.1	35.7	53.4%	0.6%
Minor assets	9.8	9.0	11.6	0.1	-77.2%	0.2%	232.7	254.9	277.8	1237.9%	4.3%
Contractors	2 927.8	690.8	2 870.5	1 933.2	-12.9%	55.8%	3 289.9	3 405.0	3 524.2	22.2%	68.6%
Agency and support/outsourced services	0.1	0.1	51.5	-	-100.0%	0.3%	251.2	264.8	279.1	-	4.5%
Consumable supplies	336.6	182.2	243.5	187.8	-17.7%	6.3%	189.2	200.6	212.6	4.2%	4.5%
Training and development	144.1	55.7	57.7	104.3	-10.2%	2.4%	236.2	279.2	318.0	45.0%	5.3%
Transfers and subsidies	0.0	2 135.3	0.0	0.0	-19.0%	14.2%	-	-	-	-100.0%	-
Provinces and municipalities	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Households	0.0	2 135.3	-	0.0	-16.3%	14.2%	-	-	-	-100.0%	-
Payments for capital assets	59.5	45.7	33.1	35.0	-16.2%	1.1%	5.5	0.2	0.2	-82.1%	0.2%
Buildings and other fixed structures	4.6	1.4	7.4	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	55.0	43.0	24.1	35.0	-14.0%	1.0%	5.5	0.2	0.2	-82.1%	0.2%
Biological assets	-	1.2	1.6	-	-	-	-	-	-	-	-
Software and other intangible assets	-	0.0	-	-	-	-	-	-	-	-	-
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	3 827.8	3 481.5	3 526.3	4 251.4	3.6%	100.0%	4 290.7	4 482.6	4 699.1	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	4.4%	3.4%	3.6%	3.7%	-	-	3.5%	3.5%	3.4%	-	-
Details of transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Vehicle licences	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Households											
Social benefits											
Current	0.0	2 135.3	-	0.0	-16.3%	14.2%	-	-	-	-100.0%	-
Employee social benefits	0.0	2 135.3	-	0.0	-16.3%	14.2%	-	-	-	-100.0%	-

Personnel information

Table 3.15 Community Work Programme personnel numbers and cost by salary level¹

Community Work Programme	Number of posts estimated for 31 March 2023	Number of posts additional to the funded establishment	Number and cost ² of personnel posts filled/planned for on funded establishment															Average growth rate (%)	Average: Salary level/ Total (%)
			Actual			Revised estimate			Medium-term expenditure estimate										
			2021/22		2022/23		2023/24			2024/25			2025/26			2022/23 - 2025/26			
Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost			
Salary level	22	-	24	9.3	0.4	72	27.1	0.4	19	13.1	0.7	18	13.6	0.7	19	14.2	0.7	-35.5%	100.0%
1 – 6	13	-	13	2.8	0.2	52	11.4	0.2	4	1.2	0.3	4	1.2	0.3	5	1.6	0.3	-54.5%	50.4%
7 – 10	4	-	4	1.6	0.4	5	2.1	0.4	3	1.2	0.4	2	1.1	0.4	2	1.1	0.5	-21.4%	10.0%
11 – 12	3	-	3	2.6	0.9	5	4.5	0.9	4	3.6	0.9	4	3.9	1.0	4	3.9	1.0	-7.2%	13.2%
13 – 16	2	-	2	2.1	1.1	8	8.9	1.1	6	6.8	1.1	6	7.3	1.2	6	7.4	1.2	-9.0%	20.2%
Other	-	-	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	2	0.2	0.1	-	6.2%

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

2. Rand million.

Entities

Municipal Demarcation Board

Selected performance indicators

Table 3.16 Municipal Demarcation Board performance indicators by programme/objective/activity and related priority

Indicator	Programme/ Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Process for delimitation of municipal ward boundaries for local government elections per year	Demarcation and spatial transformation excellence	Priority 5: Spatial integration, human settlements and local government	Engage with all stakeholders on the ward delimitation process for the 2021 local government elections	4 468 wards published in terms of the Local Government: Municipal Systems Act (2000)	–1	–1	–1	Finalise draft plan for 2026 ward delimitation process for the 2026 local government elections	Draft wards delimited
Process for determination of municipal boundaries per year	Demarcation and spatial transformation excellence		–2	–2	Municipal boundary determination proposals analysed	Determined or redetermined municipal outer boundaries published for class 1 redeterminations	Conclude municipal boundary redeterminations for classes 2 to 4	–1	–1
Number of research reports published per year on improved spatial information	Research, spatial information and intelligence development		–2	–2	–2	1	1	1	1
Number of outreach activities to strengthen public and stakeholder awareness and education on demarcation processes per year	Stakeholder engagement and partnership		8	20	16	20	20	8	16

1. Targets driven by the municipal election cycle.

2. No historical data available.

Entity overview

The Municipal Demarcation Board derives its legislative mandate from chapter 7 of the Constitution and section 3 of the Local Government: Municipal Demarcation Act (1998). The board is mandated to determine and redetermine municipal boundaries and render advisory services. In terms of the Local Government: Municipal Structures Act (1998), the board is also mandated to delimit wards, conduct capacity assessments for municipalities, and assess the capacity of the executive council responsible for local government.

Over the MTEF period, the board will continue to improve its administrative and legislative functions, and begin ward delimitation processes to ensure that all municipalities that qualify to have wards are finalised in time for the 2026 local government elections.

Spending on compensation of employees accounts for an estimated 57.1 per cent (R140.9 million) of total expenditure over the period ahead for the board's 48 funded posts. Expenditure is expected to increase at an average annual rate of 0.1 per cent, from R81.6 million in 2022/23 to R81.7 million in 2025/26. The board expects to derive 96.6 per cent (R229.3 million) of its revenue over the MTEF period through transfers from the department.

Programmes/Objectives/Activities**Table 3.17 Municipal Demarcation Board expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	37.9	38.8	38.7	41.6	3.2%	60.9%	49.0	49.3	51.2	7.1%	60.8%
Demarcation and spatial transformation excellence	12.1	17.8	12.2	15.2	7.9%	22.1%	15.2	18.4	19.6	9.0%	21.7%
Research, spatial information and intelligence development	2.2	2.7	2.8	14.0	84.5%	7.5%	3.5	3.7	4.0	-34.3%	7.9%
Stakeholder engagement and partnership	4.3	4.4	6.1	10.7	36.0%	9.4%	6.6	6.2	6.9	-13.5%	9.6%
Total	56.5	63.7	59.8	81.6	13.0%	100.0%	74.3	77.6	81.7	0.1%	100.0%

Statements of financial performance, cash flow and financial position**Table 3.18 Municipal Demarcation Board statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%) 2022/23 - 2025/26
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Revenue											
Non-tax revenue	1.1	0.7	0.8	7.2	89.5%	3.2%	1.2	1.2	1.3	-43.6%	3.4%
Other non-tax revenue	1.1	0.7	0.8	7.2	89.5%	3.2%	1.2	1.2	1.3	-43.6%	3.4%
Transfers received	64.3	63.0	70.6	74.3	5.0%	96.8%	73.1	76.4	79.8	2.4%	96.6%
Total revenue	65.3	63.7	71.4	81.6	7.7%	100.0%	74.3	77.6	81.1	-0.2%	100.0%
Expenses											
Current expenses	56.5	63.7	59.8	81.6	13.0%	100.0%	74.3	77.6	81.7	0.1%	100.0%
Compensation of employees	32.4	35.6	37.0	38.7	6.2%	55.7%	43.7	46.8	50.3	9.1%	57.1%
Goods and services	23.0	26.8	21.6	41.8	22.1%	42.5%	30.6	30.8	31.4	-9.1%	42.6%
Depreciation	1.1	1.2	1.2	1.0	-2.9%	1.8%	-	-	-	-100.0%	0.3%
Total expenses	56.5	63.7	59.8	81.6	13.0%	100.0%	74.3	77.6	81.7	0.1%	100.0%
Surplus/(Deficit)	8.9	-	11.6	-	-100.0%	-	-	-	(0.6)	-	-
Cash flow statement											
Cash flow from operating activities	9.6	1.7	10.4	0.4	-65.3%	100.0%	0.0	1.2	(1.4)	-251.5%	100.0%
Receipts											
Non-tax receipts	1.0	0.7	0.8	1.6	14.3%	1.5%	1.2	1.2	1.3	-5.8%	1.7%
Other tax receipts	1.0	0.7	0.8	1.6	14.3%	1.5%	1.2	1.2	1.3	-5.8%	1.7%
Transfers received	64.3	63.0	70.6	74.3	5.0%	98.5%	73.1	76.4	79.8	2.4%	98.3%
Financial transactions in assets and liabilities	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total receipts	65.3	63.8	71.4	75.9	5.1%	100.0%	74.3	77.6	81.1	2.2%	100.0%
Payment											
Current payments	55.7	62.0	61.0	75.5	10.6%	100.0%	74.3	76.4	82.5	3.0%	100.0%
Compensation of employees	33.3	36.1	35.9	38.7	5.1%	57.0%	43.7	46.8	50.3	9.1%	58.1%
Goods and services	22.4	26.0	25.1	36.8	17.9%	43.0%	30.5	29.6	32.2	-4.3%	41.9%
Total payments	55.7	62.0	61.0	75.5	10.6%	100.0%	74.3	76.4	82.5	3.0%	100.0%
Net cash flow from investing activities	(2.1)	(1.1)	(0.9)	(1.6)	-8.1%	100.0%	(0.9)	(1.9)	(0.1)	-60.3%	100.0%
Acquisition of property, plant, equipment and intangible assets	(1.4)	(0.7)	(0.9)	(1.6)	5.1%	82.6%	(0.7)	(1.9)	(0.1)	-60.3%	95.3%
Acquisition of software and other intangible assets	(0.7)	(0.4)	-	-	-100.0%	17.4%	(0.2)	-	-	-	4.7%
Net increase/(decrease) in cash and cash equivalents	7.5	0.7	9.5	(1.2)	-154.2%	7.2%	(0.8)	(0.7)	(1.5)	7.6%	-1.3%
Statement of financial position											
Carrying value of assets of which:	3.5	3.3	3.0	2.4	-12.1%	9.5%	2.2	2.6	2.5	1.2%	13.0%
Acquisition of assets	(1.4)	(0.7)	(0.9)	(1.6)	5.1%	100.0%	(0.7)	(1.9)	(0.1)	-60.3%	100.0%
Investments	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Inventory	0.3	0.3	0.1	0.2	-10.9%	0.7%	0.2	0.2	0.2	2.0%	1.3%
Receivables and prepayments	1.3	1.0	2.9	1.2	-3.6%	4.8%	1.2	1.2	1.3	2.7%	6.7%
Cash and cash equivalents	25.2	25.8	35.3	24.0	-1.6%	85.0%	22.0	15.0	7.5	-32.1%	79.1%
Total assets	30.3	30.4	41.3	27.8	-2.9%	100.0%	25.6	19.1	11.5	-25.5%	100.0%
Accumulated surplus/(deficit)	25.5	25.5	37.1	24.4	-1.4%	86.3%	22.0	15.9	8.5	-29.7%	82.7%
Trade and other payables	3.9	4.8	4.2	3.4	-4.4%	12.7%	3.6	3.2	3.0	-4.1%	17.3%
Provisions	1.0	0.2	-	-	-100.0%	1.0%	-	-	-	-	-
Total equity and liabilities	30.3	30.4	41.3	27.8	-2.9%	100.0%	25.6	19.1	11.5	-25.5%	100.0%

Personnel information**Table 3.19 Municipal Demarcation Board personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment											Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)					
Number of approved funded posts	Number of posts on establishment	Actual			Revised estimate			Medium-term expenditure estimate											
		2021/22		2022/23		2023/24		2024/25		2025/26		2022/23 - 2025/26							
Municipal Demarcation Board		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	48	48	48	37.0	0.8	48	38.7	0.8	48	43.7	0.9	48	46.8	1.0	48	50.3	1.0	-	100.0%
7 – 10	27	27	27	15.3	0.6	27	16.8	0.6	27	17.9	0.7	27	19.2	0.7	27	20.6	0.8	-	56.3%
11 – 12	10	10	10	8.3	0.8	10	9.0	0.9	10	9.6	1.0	10	10.2	1.0	10	11.0	1.1	-	20.8%
13 – 16	11	11	11	13.4	1.2	11	13.0	1.2	11	16.3	1.5	11	17.4	1.6	11	18.7	1.7	-	22.9%

1. Rand million.

Municipal Infrastructure Support Agent**Selected performance indicators****Table 3.20 Municipal Infrastructure Support Agent performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective /Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Number of municipal water conservation or water demand management strategies implemented per year	Infrastructure delivery management support	Entity mandate	- ¹	- ¹	- ¹	20	20	20	20
Number of municipal spatial plans, policies, structures and systems reviewed per year that are compliant with the Spatial Planning and Land Use Management Act (2013)	Infrastructure delivery management support		30	30	30	30	44	44	44
Number of young people enrolled in the agent's apprentice programme per year	Technical support services		230	100	100	100	100	100	100
Number of municipal officials provided with technical skills training per year	Technical support services		250	250	250	250	250	500	500
Number of candidates enrolled in the agent's young graduate programme per year	Technical support services		135	100	150	150	150	150	150
Number of district municipalities supported to implement solid waste or integrated management services per year	Infrastructure delivery management support		- ¹	- ¹	- ¹	15	15	25	25

1. No historical data available.

Entity overview

The Municipal Infrastructure Support Agent was established in terms of section 7(5)(c) of the Public Service Act (1994). The agent provides technical support to and builds technical capacity in municipalities to enhance their capability to efficiently plan, deliver, operate and maintain municipal infrastructure.

Over the medium term, the agent will continue to provide technical support to selected municipalities to improve access to basic services and the reliability of services. To ensure the effective and efficient development, implementation and maintenance of municipal infrastructure, the agent plans to enrol 450 candidates for the young graduate programme and provide 1 250 municipal officials with technical skills training over the MTEF period. Compensation of employees accounts for an estimated 62.1 per cent (R705.6 million) of the agent's total expenditure over the period ahead.

Expenditure is expected to decrease at an average annual rate of 1.4 per cent, from R400.2 million in 2022/23 to R383.6 million in 2025/26, mainly due to the retention of surplus funding from a one-off allocation in 2021/22 for the innovative solid waste management project as part of the presidential employment initiative. The agent is set to derive 99.2 per cent (R1.1 billion) of its revenue over the MTEF period through transfers from the department. Revenue is set to decrease in line with spending.

Programmes/Objectives/Activities

Table 3.21 Municipal Infrastructure Support Agent expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
Administration	90.5	86.5	102.2	106.8	5.7%	25.0%	112.5	116.5	121.7	4.5%	30.5%
Technical support services	269.6	158.8	441.2	221.8	-6.3%	65.1%	220.2	227.5	237.7	2.3%	60.4%
Infrastructure delivery management support	42.0	19.8	22.9	71.6	19.5%	10.0%	21.8	23.2	24.2	-30.3%	9.2%
Total	402.0	265.1	566.3	400.2	-0.1%	100.0%	354.5	367.2	383.6	-1.4%	100.0%

Statements of financial performance, cash flow and financial position

Table 3.22 Municipal Infrastructure Support Agent statements of financial performance, cash flow and financial position

Statement of financial performance

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2022/23	2019/20 - 2022/23	2023/24		
Revenue											
Non-tax revenue	3.4	3.8	8.7	3.0	-3.9%	1.0%	3.0	2.8	2.8	-1.8%	0.8%
Other non-tax revenue	3.4	3.8	8.7	3.0	-3.9%	1.0%	3.0	2.8	2.8	-1.8%	0.8%
Transfers received	344.0	392.2	629.6	400.2	5.2%	99.0%	351.5	367.2	383.7	-1.4%	99.2%
Total revenue	347.4	395.9	638.3	403.2	5.1%	100.0%	354.5	370.1	386.5	-1.4%	100.0%
Expenses											
Current expenses	402.0	265.1	566.3	400.2	-0.1%	100.0%	354.5	367.2	383.6	-1.4%	100.0%
Compensation of employees	186.6	185.8	178.6	227.0	6.7%	51.2%	227.0	234.1	244.6	2.5%	62.1%
Goods and services	209.6	73.3	380.7	164.1	-7.8%	47.0%	118.0	123.3	128.8	-7.8%	35.4%
Depreciation	5.9	6.0	7.0	9.1	15.8%	1.8%	9.5	9.8	10.3	4.0%	2.6%
Total expenses	402.0	265.1	566.3	400.2	-0.1%	100.0%	354.5	367.2	383.6	-1.4%	100.0%
Surplus/(Deficit)	(54.6)	130.8	72.0	3.0	-138.0%		-	2.8	2.9	-1.1%	

Cash flow statement

Cash flow from operating activities	(6.7)	118.8	119.3	8.2	-207.1%	100.0%	(53.3)	(39.0)	(5.5)	-187.2%	100.0%
Receipts											
Non-tax receipts	3.4	3.8	8.7	6.0	21.1%	1.2%	6.2	6.2	6.5	3.1%	1.6%
Other tax receipts	3.4	3.8	8.7	6.0	21.1%	1.2%	6.2	6.2	6.5	3.1%	1.6%
Transfers received	344.0	392.2	628.9	400.2	5.2%	98.8%	351.5	367.2	383.7	-1.4%	98.4%
Total receipts	347.3	395.9	637.5	406.2	5.4%	100.0%	357.7	373.5	390.2	-1.3%	100.0%
Payment											
Current payments	354.0	277.2	401.1	397.9	4.0%	94.3%	411.0	412.4	395.7	-0.2%	100.0%
Compensation of employees	186.6	168.0	179.7	210.0	4.0%	50.2%	266.9	267.8	244.6	5.2%	61.1%
Goods and services	167.5	109.2	221.4	187.9	3.9%	44.2%	144.1	144.6	151.1	-7.0%	38.9%
Transfers and subsidies	-	-	117.2	-	-	5.7%	-	-	-	-	-
Total payments	354.0	277.2	518.3	397.9	4.0%	100.0%	411.0	412.4	395.7	-0.2%	100.0%
Net cash flow from investing activities	0.0	-	-	-	-100.0%		-	-	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(6.7)	118.8	119.3	8.2	-207.2%	16.6%	(53.3)	(39.0)	(5.5)	-187.2%	-6.3%

Statement of financial position

Carrying value of assets	26.9	22.8	21.5	39.2	13.3%	13.7%	41.0	41.1	43.0	3.1%	18.0%
Receivables and prepayments	2.0	2.1	2.6	1.2	-16.9%	0.9%	1.2	1.2	1.3	3.1%	0.5%
Cash and cash equivalents	98.2	216.0	331.3	178.0	21.9%	85.4%	186.0	186.7	195.0	3.1%	81.5%
Total assets	127.2	240.9	355.4	218.4	19.7%	100.0%	228.2	229.0	239.3	3.1%	100.0%
Accumulated surplus/(deficit)	60.9	191.8	263.8	140.5	32.1%	66.5%	146.8	147.3	153.9	3.1%	64.3%
Trade and other payables	37.9	33.1	76.7	66.7	20.8%	23.9%	69.7	69.9	73.1	3.1%	30.5%
Provisions	12.3	16.0	14.9	11.2	-3.1%	6.4%	11.7	11.8	12.3	3.1%	5.1%
Derivatives financial instruments	16.1	-	-	-	-100.0%	3.2%	-	-	-	-	-
Total equity and liabilities	127.2	240.9	355.4	218.4	19.7%	100.0%	228.2	229.0	239.3	3.1%	100.0%

Personnel information**Table 3.23 Municipal Infrastructure Support Agent personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment										Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)						
Number of approved funded posts	Number of posts on establishment	Actual		Revised estimate			Medium-term expenditure estimate												
		2021/22		2022/23			2023/24		2024/25		2025/26		2022/23 - 2025/26						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost		Unit cost					
Municipal Infrastructure Support Agent	423	423	419	178.6	0.4	423	227.0	0.5	423	227.0	0.5	523	234.1	0.4	423	244.6	0.6	-	100.0%
Salary level	423	423	419	178.6	0.4	423	227.0	0.5	423	227.0	0.5	523	234.1	0.4	423	244.6	0.6	-	100.0%
1 – 6	230	230	230	7.8	0.0	230	38.8	0.2	230	37.1	0.2	330	44.8	0.1	230	47.6	0.2	-	56.6%
7 – 10	39	39	39	13.2	0.3	39	19.0	0.5	39	19.0	0.5	39	19.0	0.5	39	19.9	0.5	-	8.8%
11 – 12	46	46	46	35.9	0.8	46	41.2	0.9	46	41.2	0.9	46	41.2	0.9	46	43.1	0.9	-	10.4%
13 – 16	108	108	104	121.8	1.2	108	127.9	1.2	108	129.6	1.2	108	129.1	1.2	108	134.0	1.2	-	24.3%

1. Rand million.

South African Local Government Association**Entity overview**

The South African Local Government Association is an association of municipalities recognised by the Organised Local Government Act (1997). The association's strategic role is to represent the interests of local government within the overall system of government, assist members to fulfil their developmental goals, participate actively in intergovernmental relations, voice local government interests and provide solutions to challenges in local government. However, after reviewing the association's legislative mandate, National Treasury has resolved that it has been incorrectly classified in the Public Finance Management Act (1999). The process to delist the association from the act is under way.

As the association's core functions of research and municipal governance support are labour intensive, spending on compensation of employees accounts for an estimated 53.7 per cent (R1.2 billion) of its total budget over the medium term for 406 personnel.

Total expenditure is expected to increase at an average annual rate of 4.7 per cent, from R679.9 million in 2022/23 to R802 million in 2025/26. The association is set to derive 91.9 per cent (R2.5 billion) of its revenue over the MTEF period through membership fees from municipalities. Revenue is expected to increase in line with expenditure.

Programmes/Objectives/Activities**Table 3.24 South African Local Government Association expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2022/23	Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2022/23 - 2025/26	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26		
Administration	383.7	363.0	436.4	531.1	11.4%	67.4%	559.9	581.7	608.2	4.6%	76.0%
Infrastructure delivery, spatial transformation services and inclusive communities	79.2	56.8	37.2	56.4	-10.7%	9.0%	59.3	62.3	65.5	5.1%	8.1%
Municipal capabilities and governance	123.2	102.8	79.4	57.1	-22.6%	14.4%	60.0	63.0	66.2	5.0%	8.2%
Municipal finance, fiscal policy and economic growth	85.1	57.7	39.8	53.2	-14.5%	9.2%	56.0	59.0	62.1	5.3%	7.7%
Total	671.2	580.2	592.8	697.9	1.3%	100.0%	735.2	766.0	802.0	4.7%	100.0%

Statements of financial performance, cash flow and financial position**Table 3.25 South African Local Government Association statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average Expenditure/ Total (%)	
	2019/20	2020/21	2021/22		2022/23	2019/20 - 2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2022/23 - 2025/26
Revenue											
Non-tax revenue	661.7	688.5	730.9	775.4	5.4%	93.4%	829.4	865.2	898.4	5.0%	95.4%
Sale of goods and services other than capital assets	624.0	655.5	693.1	758.8	6.7%	89.3%	792.7	828.4	865.8	4.5%	91.9%
Other non-tax revenue	37.6	33.0	37.9	16.6	-23.9%	4.2%	36.7	36.8	32.5	25.1%	3.5%
Transfers received	50.0	48.7	54.7	47.1	-2.0%	6.6%	36.4	38.0	40.7	-4.7%	4.6%
Total revenue	711.7	737.2	785.6	822.6	4.9%	100.0%	865.8	903.2	939.1	4.5%	100.0%
Expenses											
Current expenses	671.2	580.2	592.8	697.9	1.3%	100.0%	735.2	766.0	802.0	4.7%	100.0%
Compensation of employees	346.2	346.9	356.8	371.4	2.4%	56.2%	392.1	413.5	436.1	5.5%	53.7%
Goods and services	317.1	226.2	229.6	314.6	-0.3%	42.5%	331.1	340.0	352.9	3.9%	44.6%
Depreciation	6.5	6.6	5.2	10.4	16.8%	1.1%	10.4	10.8	11.3	3.0%	1.4%
Interest, dividends and rent on land	1.4	0.5	1.2	1.5	2.5%	0.2%	1.6	1.7	1.7	4.5%	0.2%
Total expenses	671.2	580.2	592.8	697.9	1.3%	100.0%	735.2	766.0	802.0	4.7%	100.0%
Surplus/(Deficit)	40.5	157.0	192.8	124.7	45.5%		130.7	137.3	137.1	3.2%	
Cash flow statement											
Cash flow from operating activities	56.6	170.9	154.2	158.4	40.9%	100.0%	168.0	169.9	135.1	-5.2%	100.0%
Receipts											
Non-tax receipts	680.9	712.1	699.1	775.4	4.4%	94.5%	829.4	865.2	898.4	5.0%	95.4%
Sales of goods and services other than capital assets	645.9	679.9	662.7	760.4	5.6%	90.5%	814.4	850.2	887.7	5.3%	93.8%
Other sales	26.1	27.2	5.6	1.6	-60.4%	2.0%	21.7	21.8	21.8	137.9%	1.9%
Other tax receipts	35.0	32.2	36.4	15.0	-24.6%	4.0%	15.0	15.0	10.7	-10.6%	1.6%
Transfers received	40.6	39.0	40.2	47.1	5.1%	5.5%	36.4	38.0	40.7	-4.7%	4.6%
Total receipts	721.5	751.1	739.2	822.6	4.5%	100.0%	865.8	903.2	939.1	4.5%	100.0%
Payment											
Current payments	664.9	580.2	585.0	664.2	-	100.0%	697.8	733.3	804.0	6.6%	100.0%
Compensation of employees	330.2	346.9	356.8	371.4	4.0%	56.6%	392.1	413.5	436.1	5.5%	55.7%
Goods and services	333.3	232.7	227.1	291.2	-4.4%	43.2%	304.1	318.1	366.1	7.9%	44.1%
Interest and rent on land	1.4	0.5	1.2	1.6	3.8%	0.2%	1.6	1.7	1.8	4.8%	0.2%
Total payments	664.9	580.2	585.0	664.2	-	100.0%	697.8	733.3	804.0	6.6%	100.0%
Net cash flow from investing activities	(2.7)	(3.8)	(5.8)	(20.4)	95.1%	100.0%	(21.3)	(22.3)	(23.5)	4.8%	100.0%
Acquisition of property, plant, equipment and intangible assets	(2.8)	(3.3)	(6.0)	(18.5)	88.1%	94.9%	(19.3)	(20.2)	(21.3)	4.8%	90.5%
Acquisition of software and other intangible assets	-	(0.5)	-	(1.9)	-	5.9%	(2.0)	(2.1)	(2.2)	4.8%	9.5%
Proceeds from the sale of property, plant, equipment and intangible assets	0.0	-	0.1	-	-100.0%	-0.8%	-	-	-	-	-
Net cash flow from financing activities	(1.4)	(1.0)	(0.1)	-	-100.0%	-	-	-	-	-	-
Repayment of finance leases	(1.4)	(1.0)	(0.1)	-	-100.0%	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	52.5	166.1	148.3	138.0	38.0%	20.3%	146.7	147.6	111.6	-6.8%	18.2%
Statement of financial position											
Carrying value of assets	53.6	50.4	51.7	310.9	79.7%	19.4%	324.9	152.8	159.8	-19.9%	36.7%
<i>of which:</i>											
Acquisition of assets	(2.8)	(3.3)	(6.0)	(18.5)	88.1%	100.0%	(19.3)	(20.2)	(21.3)	4.8%	100.0%
Investments	1.8	1.2	1.2	1.2	-12.5%	0.3%	1.3	1.1	1.2	-0.7%	0.2%
Receivables and prepayments	109.1	95.3	141.7	135.0	7.4%	23.3%	141.1	32.1	33.5	-37.1%	12.5%
Cash and cash equivalents	162.9	329.0	477.3	275.0	19.1%	57.0%	287.4	318.6	333.2	6.6%	50.6%
Total assets	327.4	475.9	671.8	722.1	30.2%	100.0%	754.6	504.6	527.7	-9.9%	100.0%
Accumulated surplus/(deficit)	213.4	370.4	563.6	619.7	42.7%	78.2%	651.1	416.8	436.0	-11.1%	84.3%
Capital and reserves	2.3	2.3	2.3	2.3	-	0.5%	2.3	2.3	2.3	-	0.4%
Capital reserve fund	8.9	-	-	-	-100.0%	0.7%	-	-	-	-	-
Finance lease	2.1	3.7	3.5	3.5	18.6%	0.6%	3.7	10.0	10.4	43.5%	1.2%
Deferred income	-	2.4	5.1	5.2	-	0.5%	5.4	3.0	3.1	-15.4%	0.7%
Trade and other payables	99.4	94.7	93.7	88.2	-3.9%	19.1%	91.6	72.1	75.4	-5.1%	13.2%
Provisions	1.3	2.5	3.7	3.2	35.7%	0.5%	0.4	0.4	0.5	-47.4%	0.2%
Total equity and liabilities	327.4	475.9	671.8	722.1	30.2%	100.0%	754.6	504.6	527.7	-9.9%	100.0%

Personnel information**Table 3.26 South African Local Government Association personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment											Average growth rate of personnel posts (%)	Average: Salary level/ Total (%)					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						2022/23 - 2025/26					
		2021/22		2022/23		2023/24		2024/25		2025/26									
South African Local Government Association		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	465	465	417	356.8	0.9	399	371.4	0.9	399	392.1	1.0	399	413.5	1.0	399	436.1	1.1	-	100.0%
1 – 6	65	65	82	13.1	0.2	64	13.7	0.2	64	14.5	0.2	64	15.3	0.2	64	16.1	0.3	-	16.0%
7 – 10	202	202	187	119.3	0.6	187	124.5	0.7	187	131.5	0.7	187	138.6	0.7	187	146.2	0.8	-	46.9%
11 – 12	63	63	55	55.4	1.0	55	57.8	1.1	55	61.0	1.1	55	64.3	1.2	55	67.9	1.2	-	13.8%
13 – 16	120	120	84	143.0	1.7	84	148.2	1.8	84	156.5	1.9	84	165.0	2.0	84	174.1	2.1	-	21.1%
17 – 22	15	15	9	26.0	2.9	9	27.1	3.0	9	28.6	3.2	9	30.2	3.4	9	31.8	3.5	-	2.3%

1. Rand million.