

Cooperative Governance

Budget summary

R million	2025/26				2026/27	2027/28
	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total	Total
MTEF allocation						
Administration	394.0	0.9	3.5	398.4	415.9	434.0
Local Government Operations and Support	107.5	19 006.8	493.8	19 608.1	21 248.3	22 210.2
Policy, Governance and Local Government Administration	259.2	106 211.7	—	106 470.9	111 062.4	116 084.5
National Disaster Management Centre	87.7	1 257.3	0.7	1 345.6	665.7	695.8
Community Work Programme	3 306.1	—	0.2	3 306.3	3 408.0	3 562.0
Total expenditure estimates	4 154.5	126 476.6	498.2	131 129.2	136 800.3	142 986.6

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; promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation across spheres of government; and promote sustainable development by providing support and exercising oversight of local government, provincial government and its entities. This mandate is derived from the:

- Local Government: Municipal Structures Act (1998)
- Local Government: Municipal Systems Act (2000)
- Disaster Management Act (2002)
- Local Government: Municipal Property Rates Act (2004)
- Intergovernmental Relations Framework Act (2005).

Selected performance indicators

Table 3.1 Performance indicators by programme and related MTDP outcome

Indicator	Programme	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Percentage of municipalities receiving the municipal infrastructure grant that are spending a minimum of 60% of their grant allocations per year	Local Government Operations and Support	Outcome 16: Improved service delivery at local government	— ¹	— ¹	69%	85%	85%	85%	85%
Total number of districts/metros supported to implement at least one district development model catalytic project from the approved One Plan per year	Local Government Operations and Support		— ¹	— ¹	11	30	52	52	52
Total number of municipalities where improvement measures to enhance spatial development framework compliance with the Spatial Planning and Land Use Management Act (2013) are recommended	Policy, Governance and Local Government Administration		— ¹	— ¹	10	50	70	100	0
Number of municipal disaster management plans assessed per year to enhance the implementation of disaster risk reduction strategies for climate protection	National Disaster Management Centre		10	10	14	14	14	14	14

Table 3.1 Performance indicators by programme and related MTDP outcome (continued)

Indicator	Programme	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Number of people participating in the community work programme per year	Community Work Programme	Outcome 1: Increased employment and work opportunities	263 259	250 000	269 889	200 000	178 860	178 860	178 860

1. No historical data available.

Expenditure overview

Over the MTEF period, the department plans to focus on strengthening institutional arrangements and elevating service delivery standards, alleviating poverty through public employment, and strengthening local government's capabilities to manage disasters.

Expenditure is expected to increase at an average annual rate of 4.3 per cent, from R125.9 billion in 2024/25 to R143 billion in 2027/28. Transfers and subsidies account for 96.7 per cent (R397 billion) of the department's total spending over the period ahead. Expenditure on compensation of employees is expected to increase at an average annual rate of 10.1 per cent, from R369.9 million in 2024/25 to R493.9 million in 2027/28. This is driven by an anticipated increase in the number of personnel across all programmes from 454 in 2024/25 to 529 in 2027/28 as the department seeks to strengthen its operational capacity and oversight functions. Total expenditure over the MTEF period is expected to amount to R410.9 billion.

Strengthening institutional arrangements and elevating service delivery standards

Transfers to the local government equitable share are intended to supplement municipal revenue, cover the costs involved in providing free basic services to poor households, and subsidise administrative costs for municipalities with limited capacity to raise revenue. These transfers comprise an estimated 83.4 per cent (R332.4 billion) of the department's spending on transfers and subsidies over the medium term. This spending is in the *Policy, Governance and Local Government Administration* programme, allocations to which are expected to increase at an average annual rate of 4.5 per cent, from R101.6 billion in 2024/25 to R116.1 billion in 2027/28.

Funds from the *municipal infrastructure grant*, which amount to R57.4 billion over the period ahead, are used to build new and upgrade existing municipal infrastructure, and renew and refurbish infrastructure for water and sanitation services, electricity, roads and public transport, particularly for poor communities. The *integrated urban development grant*, which is allocated R4.1 billion over the next 3 years, is geared towards improving municipal infrastructure to ensure greater access and urban and rural integration, as well as enhancing the quality of municipal services. Included in the grant's total allocation is R244.7 million for the Alfred Duma local municipality that was previously within the *municipal infrastructure grant*. These two grants are funded through the *Local Government Operations and Support* programme, which accounts for an estimated 15.2 per cent (R63.1 billion) of the department's spending over the period ahead, increasing at an average annual rate of 5.8 per cent.

As part of the department's integrated service delivery strategy, it aims to support all 52 district and metropolitan municipalities over the medium term in implementing the district development model by coordinating joint planning, budgeting and implementation processes. This initiative will leverage tools such as district diagnostic profiles and service delivery simulators to standardise municipal plans, ensuring they are grounded in accurate insights to enhance service delivery to citizens. This work has an estimated budget of R474.6 million over the medium term in the *Municipal Systems Improvement Grant* subprogramme in the *Policy, Governance and Local Government Administration* programme.

Alleviating poverty through public employment

The community work programme strives to foster social and economic inclusion by providing individuals with a source of income in targeted high-unemployment areas. It also offers participants valuable work experience, a resource that can significantly increase their access to broader career opportunities when they exit the programme. The department plans to maintain the number of participants in the programme at 178 860 over

the medium term. The programme is funded through the *Community Work Programme* programme, which is allocated R10.3 billion over the period ahead. An estimated 70 per cent (R7.2 billion) of the programme's budget is set aside for participants' stipends and the remainder for items such as tools and materials, protective clothing, training, professional services and programme overheads.

Strengthening disaster management capabilities at the municipal level

The department intends to review its disaster management strategy over the MTEF period and continue to offer support to 30 priority district municipalities considered the most vulnerable. The department also strives to support all municipalities with interventions that mitigate the impact of natural and human-made hazards, and ensure that they have effective measures in place to respond adequately to disasters. Accordingly, to improve the implementation of disaster risk reduction strategies, the department aims to assess 14 municipal disaster management plans per year over the medium term.

These activities are carried out through the *National Disaster Management Centre* programme, allocations to which are set to decrease at an average annual rate of 30.2 per cent, from R2 billion in 2024/25 to R695.8 million in 2027/28. This is due to a high baseline after additional allocations were made to the programme in 2024/25 for unforeseen and unavoidable expenditure for the reconstruction and rehabilitation of infrastructure damaged by floods. Included in the programme's budget for 2025/26 is R709 million to be transferred to the *municipal disaster recovery grant* to rehabilitate flood-damaged infrastructure.

Expenditure trends and estimates

Table 3.2 Vote expenditure trends by programme and economic classification¹

Programmes											
1. Administration											
2. Local Government Operations and Support											
3. Policy, Governance and Local Government Administration											
4. National Disaster Management Centre											
5. Community Work Programme											
Programme				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2024/25				2021/22 - 2024/25	2025/26	2026/27		
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Programme 1	321.6	348.1	363.6	359.4	3.8%	0.3%	398.4	415.9	434.0	6.5%	0.3%
Programme 2	17 316.3	18 402.8	18 015.6	18 755.5	2.7%	16.0%	19 608.1	21 248.3	22 210.2	5.8%	15.2%
Programme 3	76 754.1	84 224.0	92 546.1	101 581.3	9.8%	78.6%	106 470.9	111 062.4	116 084.5	4.5%	81.1%
Programme 4	524.9	3 900.0	2 272.1	2 042.4	57.3%	1.9%	1 345.6	665.7	695.8	-30.2%	0.9%
Programme 5	3 526.3	3 834.1	3 602.6	3 157.3	-3.6%	3.1%	3 306.3	3 408.0	3 562.0	4.1%	2.5%
Subtotal	98 443.1	110 709.1	116 800.1	125 895.9	8.5%	100.0%	131 129.2	136 800.3	142 986.6	4.3%	100.0%
Total	98 443.1	110 709.1	116 800.1	125 895.9	8.5%	100.0%	131 129.2	136 800.3	142 986.6	4.3%	100.0%
Change to 2024				–			3.8	4.1	4.2		
Budget estimate											
Economic classification											
Current payments	4 166.7	4 454.4	4 273.7	3 961.8	-1.7%	3.7%	4 154.5	4 293.3	4 488.2	4.2%	3.1%
Compensation of employees	337.5	346.4	355.5	369.9	3.1%	0.3%	451.5	472.4	493.9	10.1%	0.3%
Goods and services ¹	3 829.2	4 107.9	3 918.2	3 591.9	-2.1%	3.4%	3 703.0	3 820.9	3 994.4	3.6%	2.8%
of which:					0.0%	0.0%				0.0%	0.0%
Minor assets	12.3	9.5	1.2	158.6	134.6%	0.0%	178.5	194.3	203.1	8.6%	0.1%
Consultants: Business and advisory services	323.3	202.4	77.0	256.4	-7.4%	0.2%	233.3	215.9	225.7	-4.2%	0.2%
Contractors	2 875.4	3 289.6	3 451.4	2 475.7	-4.9%	2.7%	2 921.1	2 611.2	2 729.4	3.3%	2.0%
Agency and support/outsourced services	59.5	73.5	54.8	189.9	47.2%	0.1%	15.5	248.5	259.7	11.0%	0.1%
Consumable supplies	245.4	161.0	21.1	98.3	-26.3%	0.1%	62.7	122.5	128.0	9.2%	0.1%
Training and development	58.7	88.0	13.1	184.4	46.4%	0.1%	6.4	138.3	144.2	-7.9%	0.1%
Interest and rent on land	–	0.0	0.0	–	0.0%	0.0%	–	–	–	0.0%	0.0%
Transfers and subsidies ¹	94 231.5	106 234.2	112 507.8	121 860.5	8.9%	96.2%	126 476.6	132 500.3	138 491.9	4.4%	96.7%
Provinces and municipalities	93 148.8	105 700.6	111 983.7	121 330.3	9.2%	95.6%	125 978.1	131 980.1	137 948.3	4.4%	96.4%
Departmental agencies and accounts	734.8	510.8	511.0	517.8	-11.0%	0.5%	486.7	507.9	530.9	0.8%	0.4%
Foreign governments and international organisations	0.3	0.3	0.4	0.4	7.3%	0.0%	0.8	0.8	0.9	30.6%	0.0%
Non-profit institutions	8.2	8.5	8.6	8.7	2.0%	0.0%	9.0	9.4	9.8	4.3%	0.0%
Households	339.4	13.9	4.1	3.3	-78.7%	0.1%	2.0	2.0	2.0	-15.3%	0.0%

Table 3.2 Vote expenditure trends by programme and economic classification¹ (continued)

Economic classification				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome											
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Payments for capital assets	44.8	19.9	15.7	73.7	18.1%	0.0%	498.2	6.8	6.4	-55.7%	0.1%
Buildings and other fixed structures	7.4	0.7	0.2	58.3	98.7%	0.0%	493.8	—	—	-100.0%	0.1%
Machinery and equipment	35.7	19.2	15.5	15.3	-24.5%	0.0%	4.4	6.8	6.4	-25.3%	0.0%
Biological assets	1.6	—	—	—	-100.0%	0.0%	—	—	—	0.0%	0.0%
Payments for financial assets	0.1	0.6	2.9	—	-100.0%	0.0%	—	—	—	0.0%	0.0%
Total	98 443.1	110 709.1	116 800.1	125 895.9	8.5%	100.0%	131 129.2	136 800.3	142 986.6	4.3%	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

				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome											
R thousand	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Households											
Social benefits											
Current	2 130	4 936	1 964	3 192	14.4%	–	–	–	–	-100.0%	–
Employee social benefits	2 130	3 336	1 964	3 192	14.4%	–	–	–	–	-100.0%	–
Bursaries for non-employees	–	1 600	–	–	–	–	–	–	–	–	–
Other transfers to households											
Current	337 281	8 990	2 174	100	-93.3%	0.1%	2 000	2 000	2 000	171.4%	–
Employee social benefits	1 500	50	1 046	100	-59.5%	–	–	–	–	-100.0%	–
Non-returning local government councillors	335 781	8 940	–	–	-100.0%	0.1%	–	–	–	–	–
Bursaries for non-employees	–	–	1 128	–	–	–	2 000	2 000	2 000	–	–
Provinces and municipalities											
Provincial agencies and funds											
Current	37	33	29	–	-100.0%	–	56	63	70	–	–
Vehicle licences	37	33	29	–	-100.0%	–	56	63	70	–	–
Municipal bank accounts											
Current	76 168 581	83 937 761	92 261 856	101 177 734	9.9%	81.3%	106 087 022	110 661 361	115 665 536	4.6%	83.4%
Local government equitable share	76 168 581	83 937 761	92 261 856	101 177 734	9.9%	81.3%	106 087 022	110 661 361	115 665 536	4.6%	83.4%
Capital	16 932 087	21 762 771	19 721 778	20 003 219	5.7%	18.0%	20 233 520	21 160 501	22 117 392	3.4%	16.1%
Integrated urban development grant	1 009 068	1 085 368	1 172 448	1 145 564	4.3%	1.0%	1 278 114	1 386 347	1 449 114	8.2%	1.0%
Municipal infrastructure grant	15 592 748	16 842 001	16 341 585	17 054 355	3.0%	15.1%	17 851 378	19 361 001	20 236 442	5.9%	14.3%
Municipal disaster response grant	330 271	516 661	873 172	378 342	4.6%	0.5%	395 054	413 153	431 836	4.5%	0.3%
Municipal disaster recovery grant	–	3 318 741	1 334 573	1 424 958	–	1.4%	708 974	–	–	-100.0%	0.4%
Provincial revenue funds											
Capital	48 100	–	–	149 345	45.9%	–	151 259	158 189	165 342	3.5%	0.1%
Provincial disaster response grant	48 100	–	–	149 345	45.9%	–	151 259	158 189	165 342	3.5%	0.1%
Foreign governments and international organisations											
Current	316	336	378	390	7.3%	–	795	820	868	30.6%	–
Commonwealth Local Government Forum	316	336	378	390	7.3%	–	795	820	868	30.6%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	734 834	510 836	510 988	517 819	-11.0%	0.5%	486 704	507 920	530 889	0.8%	0.4%
Communication	–	–	22	–	–	–	–	–	–	–	–
Municipal Infrastructure Support Agent	628 864	400 216	401 454	406 679	-13.5%	0.4%	371 078	387 254	404 766	-0.2%	0.3%
South African Local Government Association	35 369	36 280	36 408	36 949	1.5%	–	38 440	40 116	41 930	4.3%	–
Municipal Demarcation Board	70 601	74 340	73 104	74 191	1.7%	0.1%	77 186	80 550	84 193	4.3%	0.1%
Non-profit institutions											
Current	8 161	8 508	8 633	8 664	2.0%	–	9 015	9 408	9 833	4.3%	–
South African Cities Network	8 161	8 508	8 538	8 664	2.0%	–	9 015	9 408	9 833	4.3%	–
Disaster Management Institute of Southern Africa	–	–	95	–	–	–	–	–	–	–	–
Total	94 231 527	106 234 171	112 507 800	121 860 463	8.9%	100.0%	126 970 371	132 500 262	138 491 930	4.4%	100.0%

Personnel information

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

Programmes																			
1. Administration																			
2. Local Government Operations and Support																			
3. Policy, Governance and Local Government Administration																			
4. National Disaster Management Centre																			
5. Community Work Programme																			
Number of posts estimated for 31 March 2025			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											
		2023/24			2024/25			2025/26			2026/27			2027/28		2024/25 - 2027/28			
Cooperative Governance		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	462	8	462	355.5	0.8	454	369.9	0.8	546	451.5	0.8	538	472.4	0.9	529	493.9	0.9	5.2%	100.0%
1 – 6	122	5	122	38.6	0.3	114	38.7	0.3	155	54.9	0.4	148	55.4	0.4	141	56.0	0.4	7.3%	27.0%
7 – 10	129	–	129	72.6	0.6	130	75.8	0.6	158	98.6	0.6	158	104.1	0.7	155	108.0	0.7	6.1%	29.1%
11 – 12	109	1	109	96.3	0.9	108	98.5	0.9	123	118.8	1.0	122	123.8	1.0	122	130.6	1.1	4.2%	23.0%
13 – 16	100	2	100	143.3	1.4	100	151.9	1.5	109	173.9	1.6	109	183.5	1.7	108	193.3	1.8	2.7%	20.6%
Other	2	–	2	4.7	2.4	2	5.0	2.5	2	5.3	2.6	2	5.6	2.8	2	5.9	2.9	-0.0%	0.4%
Programme	462	8	462	355.5	0.8	454	369.9	0.8	546	451.5	0.8	538	472.4	0.9	529	493.9	0.9	5.2%	100.0%
Programme 1	241	8	241	163.7	0.7	227	167.7	0.7	248	192.6	0.8	242	200.7	0.8	235	209.1	0.9	1.2%	46.1%
Programme 2	84	–	84	64.9	0.8	89	70.2	0.8	97	83.1	0.9	98	88.1	0.9	99	93.2	0.9	3.6%	18.4%
Programme 3	83	–	83	84.8	1.0	75	82.8	1.1	80	91.2	1.1	79	95.1	1.2	77	99.2	1.3	0.8%	15.0%
Programme 4	27	–	27	24.8	0.9	33	29.5	0.9	76	51.2	0.7	74	53.6	0.7	73	56.0	0.8	30.7%	12.4%
Programme 5	27	–	27	17.2	0.6	31	19.6	0.6	47	33.5	0.7	45	34.9	0.8	45	36.3	0.8	13.1%	8.1%

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 (%)
	2021/22	2022/23	2023/24					2025/26	2026/27	2027/28		
R thousand	2021/22	2022/23	2023/24	2024/25	2024/25	2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2027/28
Departmental receipts	18 634	9 449	7 441	4 191	4 191	-39.2%	100.0%	3 200	3 605	3 666	-4.4%	100.0%
Sales of goods and services produced by department	274	200	228	761	761	40.6%	3.7%	900	955	1 006	9.7%	24.7%
Sales by market establishments of which:	172	200	228	705	705	60.0%	3.3%	850	900	950	10.5%	23.2%
Rental parking: Covered and open	172	200	228	705	705	60.0%	3.3%	800	850	900	8.5%	22.2%
Sale of assets <R5 000	–	–	–	–	–	–	–	50	50	50	–	1.0%
Other sales of which:	102	–	–	56	56	-18.1%	0.4%	50	55	56	–	1.5%
Capital equipment	–	–	–	–	–	–	–	50	55	56	–	1.1%
Services rendered:	101	–	–	55	55	-18.3%	0.4%	–	–	–	-100.0%	0.4%
Commission on insurance and garnishee	–	–	–	–	–	–	–	–	–	–	–	–
Replacement of security cards	1	–	–	1	1	–	–	–	–	–	-100.0%	–
Sales of scrap, waste, arms and other used current goods	–	–	–	23	23	–	0.1%	–	–	–	-100.0%	0.2%
of which:	–	–	–	–	–	–	–	–	–	–	–	–
Sales of paper	–	–	–	–	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	861	1 356	2 685	1 407	1 407	17.8%	15.9%	1 600	1 900	1 900	10.5%	46.4%
Interest	8	1 356	2 685	1 200	1 200	431.3%	13.2%	–	–	–	-100.0%	8.2%
Dividends	853	–	–	207	207	-37.6%	2.7%	1 600	1 900	1 900	109.4%	38.2%
of which:	–	–	–	–	–	–	–	–	–	–	–	–
Bank accounts	853	–	–	200	200	-38.3%	2.7%	1 600	1 900	1 900	111.8%	38.2%
Interest received from private sector	–	–	–	7	7	–	–	–	–	–	-100.0%	–
Sales of capital assets	372	–	–	–	–	-100.0%	0.9%	–	–	–	–	–
Transactions in financial assets and liabilities	17 127	7 893	4 528	2 000	2 000	-51.1%	79.4%	700	750	760	-27.6%	28.7%
Total	18 634	9 449	7 441	4 191	4 191	-39.2%	100.0%	3 200	3 605	3 666	-4.4%	100.0%

Programme 1: Administration

Programme purpose

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

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 (%)
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2027/28
Ministry	35.2	39.7	32.6	39.9	4.3%	10.6%	43.6	45.3	47.1	5.7%	10.9%
Management	16.6	27.9	27.2	30.3	22.3%	7.3%	33.0	37.7	38.4	8.2%	8.7%
Corporate Services	145.9	159.5	166.7	148.5	0.6%	44.6%	169.2	173.3	181.7	7.0%	41.8%
Financial Services	51.0	54.5	55.9	52.2	0.8%	15.3%	55.2	57.7	60.3	4.9%	14.0%
Internal Audit and Risk Management	11.3	11.8	11.1	12.8	4.3%	3.4%	13.5	14.1	14.8	4.9%	3.4%
Office Accommodation	61.6	54.7	70.0	75.6	7.1%	18.8%	84.0	87.8	91.8	6.7%	21.1%
Total	321.6	348.1	363.6	359.4	3.8%	100.0%	398.4	415.9	434.0	6.5%	100.0%
Change to 2024 Budget estimate				–			20.6	20.9	21.2		
Economic classification											
Current payments	314.3	341.4	347.1	347.0	3.4%	96.9%	394.0	410.0	428.6	7.3%	98.3%
Compensation of employees	156.6	167.0	163.7	167.7	2.3%	47.0%	192.6	200.7	209.1	7.6%	47.9%
Goods and services	157.7	174.4	183.4	179.3	4.4%	49.9%	201.5	209.3	219.5	7.0%	50.4%
of which:											
Audit costs: External	15.8	17.6	16.8	17.6	3.7%	4.9%	18.6	19.5	20.4	5.0%	4.7%
Computer services	18.3	21.0	22.2	20.0	3.1%	5.9%	30.8	27.2	28.5	12.5%	6.6%
Legal services	13.6	21.1	15.1	5.8	-24.9%	4.0%	5.8	6.0	6.3	3.0%	1.5%
Operating leases	42.7	45.0	56.7	59.4	11.6%	14.6%	67.6	70.7	74.0	7.6%	16.9%
Property payments	30.6	26.4	30.7	16.9	-18.0%	7.5%	34.9	36.5	38.0	31.2%	7.9%
Travel and subsistence	10.6	18.3	16.4	14.4	10.8%	4.3%	19.6	20.8	22.5	16.0%	4.8%
Interest and rent on land	–	0.0	0.0	–	–	–	–	–	–	–	–
Transfers and subsidies	2.8	2.5	1.3	1.0	-29.5%	0.6%	0.9	0.9	0.9	-1.5%	0.2%
Provinces and municipalities	0.0	0.0	0.0	–	-100.0%	–	0.1	0.1	0.1	–	–
Foreign governments and international organisations	–	0.3	0.4	0.4	–	0.1%	0.8	0.8	0.9	30.6%	0.2%
Public corporations and private enterprises	–	–	0.0	–	–	–	–	–	–	–	–
Households	2.8	2.2	0.9	0.6	-40.2%	0.5%	–	–	–	-100.0%	–
Payments for capital assets	4.5	3.9	12.7	11.4	37.0%	2.3%	3.5	5.0	4.5	-26.5%	1.5%
Machinery and equipment	4.5	3.9	12.7	11.4	37.0%	2.3%	3.5	5.0	4.5	-26.5%	1.5%
Payments for financial assets	0.1	0.3	2.4	–	-100.0%	0.2%	–	–	–	–	–
Total	321.6	348.1	363.6	359.4	3.8%	100.0%	398.4	415.9	434.0	6.5%	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	1.5	2.2	0.8	0.6	-26.6%	0.4%	–	–	–	-100.0%	–
Employee social benefits	1.5	2.2	0.8	0.6	-26.6%	0.4%	–	–	–	-100.0%	–
Other transfers to households											
Current	1.3	–	0.1	–	-100.0%	0.1%	–	–	–	–	–
Employee social benefits	1.3	–	0.1	–	-100.0%	0.1%	–	–	–	–	–
Provinces and municipalities											
Provincial agencies and funds											
Current	–	0.0	0.0	–	–	–	0.0	0.0	0.0	–	–
Vehicle licences	–	0.0	0.0	–	–	–	0.0	0.0	0.0	–	–
Municipal bank accounts											
Current	0.0	–	–	–	-100.0%	–	0.0	0.0	0.0	–	–
Vehicle licences	0.0	–	–	–	-100.0%	–	0.0	0.0	0.0	–	–
Foreign governments and international organisations											
Current	–	0.3	0.4	0.4	–	0.1%	0.8	0.8	0.9	30.6%	0.2%
Commonwealth Local Government Forum	–	0.3	0.4	0.4	–	0.1%	0.8	0.8	0.9	30.6%	0.2%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	–	–	0.0	–	–	–	–	–	–	–	–
Communication	–	–	0.0	–	–	–	–	–	–	–	–

Personnel information

Table 3.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025			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	Medium-term expenditure estimate																	
		Actual			Revised estimate														
		2023/24			2024/25			2025/26		2026/27		2027/28		2024/25 - 2027/28					
Administration		Unit cost			Unit cost			Unit cost			Unit cost								
Salary level	241	8	241	Cost	0.7	227	Cost	0.7	248	Cost	0.8	242	Cost	0.8	235	Cost	0.9	1.2%	100.0%
1 – 6	84	5	84	26.4	0.3	71	23.9	0.3	79	28.3	0.4	75	28.3	0.4	69	28.0	0.4	-1.1%	30.8%
7 – 10	66	–	66	36.9	0.6	66	39.0	0.6	75	47.4	0.6	75	50.0	0.7	74	52.0	0.7	3.7%	30.3%
11 – 12	52	1	52	45.5	0.9	52	48.1	0.9	54	52.5	1.0	53	54.5	1.0	53	57.5	1.1	0.6%	22.3%
13 – 16	37	2	37	50.2	1.4	36	51.7	1.4	38	59.0	1.6	38	62.3	1.6	38	65.7	1.7	1.8%	15.8%
Other	2	–	2	4.7	2.4	2	5.0	2.5	2	5.3	2.6	2	5.6	2.8	2	5.9	2.9	–	0.8%

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

2. Rand million.

Programme 2: Local Government Operations and Support

Programme purpose

Facilitate and coordinate intergovernmental relations to support the development, implementation and monitoring of integrated plans and capacity building programmes.

Objectives

- Improve reporting and accountability at the provincial and local government levels by providing legislative and policy oversight and implementing standardised reporting frameworks to streamline data collection on a quarterly basis.
- Coordinate and facilitate the development of municipal infrastructure to extend services to unserved communities by transferring funds from the *municipal infrastructure grant* and the *integrated urban development grant* 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 by strengthening technical and operational capacity for infrastructure maintenance on an ongoing basis.
- Ensure improved service delivery for selected distressed municipalities by providing support and monitoring integrated plans and capacity-building programmes by March 2027.

Subprogrammes

- *Management: Local Government Operations and Support* provides strategic oversight and leadership to ensure compliance with legislative mandates and alignment with the district development model.
- *Municipal and Provincial Governance Support and Capacity Building* provides targeted technical and institutional support to municipalities to strengthen their capacity to fulfil constitutional obligations and achieve developmental objectives.
- *Municipal Infrastructure Grant* makes transfers to supplement the capital budgets of municipalities to address infrastructure investment priorities for 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 Operations and Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme					Average growth rate (%)	Average: Expenditure/ Total (%)				Average growth rate (%)	Average: Expenditure/ Total (%)
	Audited outcome			Adjusted appropriation			Medium-term expenditure estimate				
R million	2021/22	2022/23	2023/24	2024/25	2021/22	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	
Management: Local Government Operations and Support	5.8	4.2	19.6	14.1	34.8%	0.1%	13.8	16.7	18.4	9.1%	0.1%
Municipal and Provincial Governance Support and Capacity Building	79.8	71.0	80.5	76.5	-1.4%	0.4%	93.8	97.0	101.5	9.9%	0.5%
Municipal Infrastructure Grant	15 592.7	16 842.0	16 341.6	17 112.7	3.1%	90.9%	17 851.4	19 361.0	20 236.4	5.7%	91.1%
Integrated Urban Development Grant	1 009.1	1 085.4	1 172.4	1 145.6	4.3%	6.1%	1 278.1	1 386.3	1 449.1	8.2%	6.4%
Municipal Infrastructure Support Agent	628.9	400.2	401.5	406.7	-13.5%	2.5%	371.1	387.3	404.8	-0.2%	1.9%
Total	17 316.3	18 402.8	18 015.6	18 755.5	2.7%	100.0%	19 608.1	21 248.3	22 210.2	5.8%	100.0%
Change to 2024 Budget estimate				–			(42.3)	(43.1)	(44.0)		
Economic classification											
Current payments	85.0	74.9	99.7	90.6	2.1%	0.5%	107.5	113.7	119.9	9.8%	0.5%
Compensation of employees	74.4	59.0	64.9	70.2	-1.9%	0.4%	83.1	88.1	93.2	9.9%	0.4%
Goods and services	10.6	16.0	34.7	20.4	24.4%	0.1%	24.5	25.6	26.6	9.3%	0.1%
of which:						–					–
Administrative fees	0.1	0.5	1.2	0.7	80.0%	–	1.7	1.8	1.9	38.5%	–
Computer services	3.6	3.9	–	0.3	-58.6%	–	0.7	0.7	0.8	43.3%	–
Consultants: Business and advisory services	1.5	0.9	–	2.0	11.7%	–	0.8	1.7	1.8	-4.0%	–
Rental and hiring	–	–	3.3	–	–	–	0.5	1.0	1.0	–	–
Travel and subsistence	2.9	6.5	24.1	12.0	60.5%	0.1%	14.3	13.1	13.1	2.9%	0.1%
Venues and facilities	0.1	2.8	1.0	3.6	204.6%	–	4.1	4.8	5.5	14.9%	–
Transfers and subsidies	17 231.1	18 327.7	17 915.6	18 606.6	2.6%	99.4%	19 006.8	21 134.6	22 090.3	5.9%	98.8%
Provinces and municipalities	16 601.8	17 927.4	17 514.0	18 199.9	3.1%	96.9%	18 635.7	20 747.3	21 685.6	6.0%	96.9%
Departmental agencies and accounts	628.9	400.2	401.5	406.7	-13.5%	2.5%	371.1	387.3	404.8	-0.2%	1.9%
Households	0.4	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.2	0.1	0.0	58.3	575.7%	0.1%	493.8	–	–	-100.0%	0.7%
Buildings and other fixed structures	–	–	–	58.3	–	0.1%	493.8	–	–	-100.0%	0.7%
Machinery and equipment	0.2	0.1	0.0	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.0	0.1	0.3	–	-100.0%	–	–	–	–	–	–
Total	17 316.3	18 402.8	18 015.6	18 755.5	2.7%	100.0%	19 608.1	21 248.3	22 210.2	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	17.6%	16.6%	15.4%	14.9%	–	–	15.0%	15.5%	15.5%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.4	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Employee social benefits	0.4	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Municipal bank accounts											
Capital	16 601.8	17 927.4	17 514.0	18 199.9	3.1%	96.9%	18 635.7	20 747.3	21 685.6	6.0%	96.9%
Integrated urban development grant	1 009.1	1 085.4	1 172.4	1 145.6	4.3%	6.1%	1 278.1	1 386.3	1 449.1	8.2%	6.4%
Municipal infrastructure grant	15 592.7	16 842.0	16 341.6	17 054.4	3.0%	90.8%	17 357.6	19 361.0	20 236.4	5.9%	90.5%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	628.9	400.2	401.5	406.7	-13.5%	2.5%	371.1	387.3	404.8	-0.2%	1.9%
Municipal infrastructure support agent	628.9	400.2	401.5	406.7	-13.5%	2.5%	371.1	387.3	404.8	-0.2%	1.9%

Personnel information

Table 3.9 Local Government Operations and Support personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025			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								
		2023/24			2024/25			2025/26		2026/27		2027/28		2024/25 - 2027/28		
Local Government Operations and Support			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	84	–	84	64.9	0.8	89	70.2	0.8	97	83.1	0.9	98	88.1	0.9	3.6%	100.0%
1 – 6	14	–	14	2.9	0.2	14	3.0	0.2	14	3.2	0.2	14	3.4	0.2	3.3%	14.7%
7 – 10	24	–	24	10.7	0.4	28	13.4	0.5	29	14.8	0.5	30	16.0	0.5	1.9%	30.5%
11 – 12	22	–	22	14.5	0.7	22	13.2	0.6	25	16.1	0.6	25	17.0	0.7	4.9%	25.7%
13 – 16	24	–	24	36.8	1.5	25	40.6	1.6	29	49.0	1.7	29	51.7	1.8	4.5%	29.0%

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

2. Rand million.

Programme 3: Policy, Governance and Local Government Administration

Programme purpose

Provide support and direction on the establishment and maintenance of efficient and effective municipal governance and administration policies and systems.

Objectives

- Strengthen accountability by implementing the local government anti-corruption strategy in identified districts and metropolitan municipalities by March 2026.
- Support municipalities to improve their financial sustainability by monitoring and supporting, on an ongoing basis: the rating and valuation aspects of the implementation of the Local Government: Municipal Property Rates Act (2004); and the financial aspects of the Local Government: Municipal Systems Act (2000), including user service policies and tariffs, credit control and debt collection, indigent policies and related indigent registers.
- Support municipalities in building capable administrations in accordance with chapter 7 of the Local Government: Municipal Systems Act (2000) and related regulations, including capacity development initiatives, on an ongoing basis.
- Strengthen municipal governance by monitoring the functionality of council committees on an ongoing basis.
- Support the effective management of cooperative governance systems by strengthening reporting and developing a framework for local government powers and functions by March 2026.
- Strengthen the implementation of the integrated urban development framework by March 2026.
- Undertake a comprehensive review of the 1998 White Paper on Local Government in an effort to identify and rectify assumptions that have hindered the effective functioning of local government by:
 - developing a discussion document on the review of the 1998 White Paper on Local Government by March 2026
 - developing a reviewed White Paper on Local Government by March 2026.

Subprogrammes

- *Management: Policy, Governance and Local Government Administration* provides strategic oversight and leadership to ensure compliance with legislative mandates and alignment with departmental targets with the aim of driving efficiency across programme initiatives.
- *Municipal Administration and Capacity* determines and monitors compliance with senior management's remuneration, appointments and disciplinary regulations in municipalities, complemented by the rollout of competency assessments, workshops and training to enhance adherence to municipal staff regulations.

- *Municipal Funding and Revenue Support* monitors and supports the implementation of free basic services policies, ensures compliance with the Division of Revenue Act, supports municipalities in property valuation and rating as per the Local Government: Municipal Property Rates Act (2004), oversees the municipal tariff policies and bylaws, and promotes revenue optimisation and legislative compliance.
- *Development Planning* drives the implementation of the national framework for local economic development and the integrated urban development framework, advancing urban and spatial development through strengthened instruments under the Spatial Planning and Land Use Management Act (2013) to promote sustainable municipal growth.
- *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 and enable cooperation between South African cities. This subprogramme transfers its budget to the network in full.
- *Municipal Governance* directs and supports governance policy development, ensures effective configuration of powers and functions, promotes ethics, implements strategies to combat corruption and enhances financial management and audit outcomes in municipalities.
- *Knowledge Management, Monitoring and Report Systems* develops and institutionalises municipal performance monitoring and reporting systems on a set of local government indicators aligned with the Municipal Finance Management Act (2003) and drafts regulations under section 43 of the Local Government: Municipal Systems Act (2000) to standardise and improve local government reporting.
- *South African Local Government Association* makes transfers to the South African Local Government Association to fund its operations, including its participation in intergovernmental structures and legislatures.
- *Local Government Equitable Share* supplements municipal revenue for the provision of free basic services to poor households and creates greater institutional capacity in weaker municipalities.
- *Municipal Systems Improvement Grant* enhances municipal governance and operational efficiency by providing targeted technical assistance and capacity-building support. Its primary focus is on stabilising institutional frameworks and governance systems to ensure compliance with the Local Government: Municipal Systems Act (2000), the Local Government: Municipal Property Rates Act (2004) and related legislative frameworks by strengthening the in-house capacity of municipalities.

Expenditure trends and estimates

Table 3.10 Policy, Governance and Local Government 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 (%)
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Management: Policy, Governance and Local Government Administration	3.6	2.8	10.0	5.0	12.0%	–	5.0	5.2	5.5	2.6%	–
Municipal Administration and Capacity	10.7	16.3	15.2	20.9	25.0%	–	13.8	14.4	15.1	-10.4%	–
Municipal Funding and Revenue Support	30.5	48.4	26.6	25.3	-6.0%	–	27.7	29.0	30.3	6.2%	–
Development Planning	23.6	2.6	25.8	17.4	-9.7%	–	18.2	19.0	19.8	4.5%	–
Municipal Demarcation Board	70.6	74.3	73.1	74.2	1.7%	0.1%	77.2	80.6	84.2	4.3%	0.1%
South African Cities Network	8.2	8.5	8.5	8.7	2.0%	–	9.0	9.4	9.8	4.3%	–
Municipal Governance	344.6	17.4	17.4	15.8	-64.2%	0.1%	21.5	22.3	23.1	13.6%	–
Knowledge Management, Monitoring and Report Systems	12.5	16.2	17.5	26.1	27.7%	–	22.0	23.0	24.0	-2.7%	–
South African Local Government Association	35.4	36.3	36.4	36.9	1.5%	–	38.4	40.1	41.9	4.3%	–
Local Government Equitable Share	76 168.6	83 937.8	92 261.9	101 177.7	9.9%	99.6%	106 087.0	110 661.4	115 665.5	4.6%	99.6%
Municipal Systems Improvement Grant	45.9	63.5	53.8	173.3	55.7%	0.1%	151.1	158.2	165.3	-1.6%	0.1%
Total	76 754.1	84 224.0	92 546.1	101 581.3	9.8%	100.0%	106 470.9	111 062.4	116 084.5	4.5%	100.0%
Change to 2024 Budget estimate				–			5.8	5.8	5.9		

Table 3.10 Policy, Governance and Local Government Administration expenditure trends and estimates by subprogramme and economic classification (continued)

Economic classification					Average growth rate (%)	Average: Expenditure/ Total (%)				Average growth rate (%)	Average: Expenditure/ Total (%)
	Audited outcome			Adjusted appropriation			Medium-term expenditure estimate				
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25	2027/28
Current payments	135.0	157.6	165.7	283.7	28.1%	0.2%	259.2	271.0	283.0	-0.1%	0.3%
Compensation of employees	72.3	71.9	84.8	82.8	4.6%	0.1%	91.2	95.1	99.2	6.2%	0.1%
Goods and services	62.7	85.7	80.9	200.8	47.4%	0.1%	168.0	175.9	183.8	-2.9%	0.2%
of which:						–					–
Administrative fees	0.1	0.4	0.5	0.2	38.6%	–	0.4	0.5	0.6	36.2%	–
Communication	0.9	1.1	0.9	0.8	-2.3%	–	0.7	0.7	0.7	-4.8%	–
Computer services	0.6	7.4	5.1	2.3	55.4%	–	1.6	1.6	1.6	-10.8%	–
Consultants: Business and advisory services	48.4	9.8	15.9	191.4	58.1%	0.1%	157.2	164.6	172.1	-3.5%	0.2%
Contractors	–	–	2.0	–	–	–	2.0	2.0	2.2	–	–
Travel and subsistence	2.3	5.9	5.7	4.3	23.6%	–	5.7	6.0	6.3	13.0%	–
Transfers and subsidies	76 619.1	84 066.4	92 380.4	101 297.6	9.8%	99.8%	106 211.7	110 791.4	115 801.5	4.6%	99.7%
Provinces and municipalities	76 168.6	83 937.8	92 261.9	101 177.7	9.9%	99.6%	106 087.0	110 661.4	115 665.5	4.6%	99.6%
Departmental agencies and accounts	106.0	110.6	109.5	111.1	1.6%	0.1%	115.6	120.7	126.1	4.3%	0.1%
Foreign governments and international organisations	0.3	–	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions	8.2	8.5	8.5	8.7	2.0%	–	9.0	9.4	9.8	4.3%	–
Households	336.0	9.5	0.5	0.1	-93.3%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	–	0.0	0.1	–	–	–	–	–	–	–	–
Machinery and equipment	–	0.0	0.1	–	–	–	–	–	–	–	–
Payments for financial assets	–	0.1	0.0	–	–	–	–	–	–	–	–
Total	76 754.1	84 224.0	92 546.1	101 581.3	9.8%	100.0%	106 470.9	111 062.4	116 084.5	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	78.0%	76.1%	79.2%	80.7%	–	–	81.2%	81.2%	81.2%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.3	0.5	0.5	0.1	-27.4%	–	–	–	–	-100.0%	–
Employee social benefits	0.3	0.5	0.5	0.1	-27.4%	–	–	–	–	-100.0%	–
Other transfers to households											
Current	335.8	9.0	–	–	-100.0%	0.1%	–	–	–	–	–
Employee social benefits	–	0.1	–	–	–	–	–	–	–	–	–
Non-returning local government councillors	335.8	8.9	–	–	-100.0%	0.1%	–	–	–	–	–
Provinces and municipalities											
Municipal bank accounts											
Current	76 168.6	83 937.8	92 261.9	101 177.7	9.9%	99.6%	106 087.0	110 661.4	115 665.5	4.6%	99.6%
Local government equitable share	76 168.6	83 937.8	92 261.9	101 177.7	9.9%	99.6%	106 087.0	110 661.4	115 665.5	4.6%	99.6%
Foreign governments and international organisations											
Current	0.3	–	–	–	-100.0%	–	–	–	–	–	–
Commonwealth Local Government Forum	0.3	–	–	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	106.0	110.6	109.5	111.1	1.6%	0.1%	115.6	120.7	126.1	4.3%	0.1%
South African Local Government Association	35.4	36.3	36.4	36.9	1.5%	–	38.4	40.1	41.9	4.3%	–
Municipal Demarcation Board	70.6	74.3	73.1	74.2	1.7%	0.1%	77.2	80.6	84.2	4.3%	0.1%
Non-profit institutions											
Current	8.2	8.5	8.5	8.7	2.0%	–	9.0	9.4	9.8	4.3%	–
South African Cities Network	8.2	8.5	8.5	8.7	2.0%	–	9.0	9.4	9.8	4.3%	–

Personnel information

Table 3.11 Policy, Governance and Local Government Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025			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											
		2023/24			2024/25			2025/26			2026/27			2027/28			2024/25 - 2027/28		
Policy, Governance and Local Government Administration		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	83	–	83	84.8	1.0	75	82.8	1.1	80	91.2	1.1	79	95.1	1.2	77	99.2	1.3	0.8%	100.0%
1 – 6	12	–	12	5.4	0.4	11	5.1	0.5	11	5.5	0.5	11	5.7	0.5	10	5.4	0.6	-4.1%	13.5%
7 – 10	30	–	30	20.2	0.7	25	17.1	0.7	29	20.7	0.7	28	21.5	0.8	28	22.1	0.8	3.2%	35.4%
11 – 12	23	–	23	25.6	1.1	21	25.0	1.2	22	27.5	1.3	22	28.4	1.3	22	30.0	1.4	1.1%	27.9%
13 – 16	18	–	18	33.6	1.9	18	35.5	2.0	18	37.5	2.1	18	39.5	2.2	18	41.7	2.3	–	23.2%

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

2. Rand million.

Programme 4: National Disaster Management Centre

Programme purpose

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

Objectives

- Reduce disaster risk on an ongoing basis by facilitating the development, assessment and implementation of multisector disaster management plans across local government; and education, training, public awareness and research for all relevant role players in communities.
- 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: National Disaster Management Centre* provides strategic leadership and ensures that activities are aligned with government's 2024-2029 medium-term development plan and that disaster management mandates are executed effectively.
- *Disaster Policy, Institutional Development and Compliance* facilitates the establishment of 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 the avoidance of disaster risk, 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 in an integrated manner after a disaster has occurred.

- *Municipal Disaster Recovery Grant* rehabilitates and reconstructs municipal infrastructure damaged by disasters. This subprogramme makes transfers only when a disaster is declared.
- *Disaster Response Grant* provides immediate relief for legally classified disasters. This subprogramme makes transfers only when a disaster is 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 (%)
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
R million				2024/25	2021/22 - 2024/25					2024/25 - 2027/28	
Management: National Disaster Management Centre	24.0	42.5	32.3	22.3	-2.4%	1.4%	23.3	24.4	25.5	4.5%	2.0%
Disaster Policy, Institutional Development and Compliance	9.3	8.1	8.0	11.3	6.6%	0.4%	12.7	11.1	11.5	0.7%	1.0%
Disaster Risk Reduction and Capacity Development	1.4	4.1	9.4	12.2	106.5%	0.3%	10.2	13.6	14.2	5.2%	1.1%
Disaster Preparedness, Response and Recovery Coordination	111.8	10.0	14.6	43.9	-26.8%	2.1%	44.1	45.2	47.4	2.5%	3.8%
Municipal Disaster Recovery Grant	–	3 318.7	1 334.6	1 425.0	–	69.6%	709.0	–	–	-100.0%	44.9%
Disaster Response Grant	378.4	516.7	873.2	527.7	11.7%	26.3%	546.3	571.3	597.2	4.2%	47.2%
Total	524.9	3 900.0	2 272.1	2 042.4	57.3%	100.0%	1 345.6	665.7	695.8	-30.2%	100.0%
Change to 2024				–			0.4	0.5	0.5		
Budget estimate											
Economic classification	139.2	62.8	61.4	84.0	-15.5%	4.0%	87.7	90.8	95.0	4.2%	7.5%
Current payments	24.9	23.2	24.8	29.5	5.9%	1.2%	51.2	53.6	56.0	23.8%	4.0%
Compensation of employees	114.4	39.7	36.6	54.6	-21.9%	2.8%	36.4	37.2	39.0	-10.6%	3.5%
Goods and services	0.3	7.6	9.9	10.6	219.4%	0.3%	12.4	13.1	13.7	9.0%	1.0%
of which:	95.0	3.2	3.9	31.5	-30.8%	1.5%	12.0	14.7	15.4	-21.2%	1.6%
Computer services	8.0	18.6	13.0	5.0	-14.5%	0.5%	3.0	3.0	3.2	-13.6%	0.3%
Consultants: Business and advisory services	0.1	2.3	4.8	5.1	255.6%	0.1%	6.1	3.8	4.2	-6.3%	0.4%
Agency and support/outsource services	0.1	0.0	0.3	0.7	79.3%	–	1.1	1.2	0.9	9.8%	0.1%
Travel and subsistence	1.0	0.3	0.6	0.1	-53.9%	–	0.5	0.3	0.4	51.8%	–
Operating payments	378.6	3 837.2	2 210.3	1 954.6	72.8%	95.9%	1 257.3	573.3	599.2	-32.6%	92.3%
Transfers and subsidies	378.4	3 835.4	2 207.8	1 952.6	72.8%	95.8%	1 255.3	571.3	597.2	-32.6%	92.1%
Provinces and municipalities	–	–	0.1	–	–	–	–	–	–	–	–
Non-profit institutions	0.2	1.8	2.4	2.0	108.4%	0.1%	2.0	2.0	2.0	–	0.2%
Households	7.0	–	0.4	3.7	-19.2%	0.1%	0.7	1.6	1.6	-23.8%	0.2%
Payments for capital assets	7.0	–	0.4	3.7	-19.2%	0.1%	0.7	1.6	1.6	-23.8%	0.2%
Machinery and equipment	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	524.9	3 900.0	2 272.1	2 042.4	57.3%	100.0%	1 345.6	665.7	695.8	-30.2%	100.0%
Total	0.5%	3.5%	1.9%	1.6%	–	–	1.0%	0.5%	0.5%	–	–
Proportion of total programme expenditure to vote expenditure											
Details of transfers and subsidies											
Households											
Social benefits											
Current	–	0.2	0.5	2.0	–	–	–	–	–	-100.0%	–
Employee social benefits	–	0.2	0.5	2.0	–	–	–	–	–	-100.0%	–
Other transfers to households											
Current	0.2	1.6	1.9	–	-100.0%	–	2.0	2.0	2.0	–	0.1%
Employee social benefits	0.2	–	0.8	–	-100.0%	–	–	–	–	–	–
Bursaries for non-employees	–	1.6	1.1	–	–	–	2.0	2.0	2.0	–	0.1%
Provinces and municipalities											
Provincial agencies and funds											
Current	–	–	0.0	–	–	–	–	–	–	–	–
Vehicle licences	–	–	0.0	–	–	–	–	–	–	–	–
Municipal bank accounts											
Current	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Vehicle licences	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Capital	330.3	3 835.4	2 207.7	1 803.3	76.1%	93.6%	1 104.0	413.2	431.8	-37.9%	79.0%
Municipal disaster response grant	330.3	516.7	873.2	378.3	4.6%	24.0%	395.1	413.2	431.8	4.5%	34.1%
Municipal disaster recovery grant	–	3 318.7	1 334.6	1 425.0	–	69.6%	709.0	–	–	-100.0%	44.9%
Provincial revenue funds											
Capital	48.1	–	–	149.3	45.9%	2.3%	151.3	158.2	165.3	3.5%	13.1%
Provincial disaster response grant	48.1	–	–	149.3	45.9%	2.3%	151.3	158.2	165.3	3.5%	13.1%
Non-profit institutions											
Current	–	–	0.1	–	–	–	–	–	–	–	–
Disaster Management Institute of Southern Africa	–	–	0.1	–	–	–	–	–	–	–	–

Personnel information

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

Number of posts estimated for 31 March 2025			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										
			2023/24			2024/25			2025/26		2026/27		2027/28				2024/25 - 2027/28		
National Disaster Management Centre			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	27	–	27	24.8	0.9	33	29.5	0.9	76	51.2	0.7	74	53.6	0.7	73	56.0	0.8	30.7%	100.0%
1 – 6	1	–	1	0.4	0.4	4	1.6	0.4	34	11.9	0.4	32	12.1	0.4	32	12.5	0.4	103.9%	39.6%
7 – 10	6	–	6	3.0	0.5	8	4.4	0.6	15	7.9	0.5	15	8.4	0.6	14	8.6	0.6	21.6%	20.5%
11 – 12	9	–	9	7.8	0.9	10	9.1	0.9	16	16.2	1.0	16	17.1	1.1	16	18.0	1.1	17.0%	22.7%
13 – 16	11	–	11	13.6	1.2	11	14.4	1.3	11	15.2	1.4	11	16.0	1.5	11	16.9	1.5	–	17.2%

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 178 860 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 the public and private sectors to meet the programme's objective.
- *Monitoring and Evaluation* provides oversight and monitors the implementation of projects to ensure adherence to the programme's norms and standards so that 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 (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Coordination, Partnerships and Implementation	3 510.8	3 745.9	3 595.4	3 107.4	-4.0%	98.9%	3 248.9	3 348.2	3 499.6	4.0%	98.3%
Monitoring and Evaluation	15.5	88.2	7.2	49.8	47.7%	1.1%	57.4	59.8	62.3	7.7%	1.7%
Total	3 526.3	3 834.1	3 602.6	3 157.3	-3.6%	100.0%	3 306.3	3 408.0	3 562.0	4.1%	100.0%
Change to 2024 Budget estimate				–			19.3	20.0	20.8		

Economic classification			Average:			Average:
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	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total (%)
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Current payments	3 493.2	3 817.7	3 599.8	3 156.5	-3.3%	99.6%	3 306.1	3 407.8	3 561.7	4.1%	100.0%
Compensation of employees	9.3	25.5	17.2	19.6	28.4%	0.5%	33.5	34.9	36.3	22.8%	0.9%
Goods and services	3 483.9	3 792.2	3 582.6	3 136.8	-3.4%	99.1%	3 272.6	3 372.9	3 525.4	4.0%	99.1%
<i>of which:</i>						—					—
Minor assets	11.6	8.4	0.2	154.9	137.3%	1.2%	177.8	190.5	199.1	8.7%	5.4%
Consultants: Business and advisory services	172.9	182.1	50.0	28.7	-45.1%	3.1%	60.4	31.8	33.2	5.0%	1.1%
Contractors	2 870.5	3 288.3	3 446.8	2 475.7	-4.8%	85.6%	2 919.1	2 609.2	2 727.2	3.3%	79.9%
Agency and support/outourced services	51.5	4.4	5.5	164.8	47.3%	1.6%	9.1	241.9	252.9	15.4%	5.0%
Consumable supplies	243.5	159.9	19.0	98.0	-26.2%	3.7%	62.6	122.3	127.9	9.3%	3.1%
Training and development	57.7	87.0	3.1	179.2	45.9%	2.3%	1.0	132.5	138.5	-8.2%	3.4%
Transfers and subsidies	0.0	0.3	0.2	0.6	743.4%	—	—	—	—	-100.0%	—
Provinces and municipalities	0.0	0.0	—	—	-100.0%	—	—	—	—	—	—
Households	—	0.3	0.2	0.6	—	—	—	—	—	-100.0%	—
Payments for capital assets	33.1	16.0	2.5	0.2	-81.8%	0.4%	0.2	0.2	0.2	2.9%	—
Buildings and other fixed structures	7.4	0.7	0.2	—	-100.0%	0.1%	—	—	—	—	—
Machinery and equipment	24.1	15.3	2.4	0.2	-79.7%	0.3%	0.2	0.2	0.2	2.9%	—
Biological assets	1.6	—	—	—	-100.0%	—	—	—	—	—	—
Software and other intangible assets	—	0.0	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	0.1	0.1	—	—	—	—	—	—	—	—
Total	3 526.3	3 834.1	3 602.6	3 157.3	-3.6%	100.0%	3 306.3	3 408.0	3 562.0	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	3.6%	3.5%	3.1%	2.5%	—	—	2.5%	2.5%	2.5%	—	—
Details of transfers and subsidies											
Households											
Social benefits											
Current	—	0.3	0.2	0.6	—	—	—	—	—	-100.0%	—
Employee social benefits	—	0.3	0.2	0.6	—	—	—	—	—	-100.0%	—
Provinces and municipalities											
Municipal bank accounts											
Current	0.0	0.0	—	—	-100.0%	—	—	—	—	—	—
Vehicle licences	0.0	0.0	—	—	-100.0%	—	—	—	—	—	—

Number of posts			
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estimated for 31 March 2025			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 establish- ment																		
		Actual			Revised estimate			Medium-term expenditure estimate						2024/25 - 2027/28					
2023/24			2024/25			2025/26			2026/27			2027/28							
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Community Work Programme																			
Salary level	27	–	27	17.2	0.6	31	19.6	0.6	47	33.5	0.7	45	34.9	0.8	45	36.3	0.8		
1 – 6	11	–	11	3.5	0.3	15	5.1	0.3	17	6.0	0.3	16	5.9	0.4	16	6.2	0.4		
7 – 10	3	–	3	1.8	0.6	3	1.9	0.6	10	7.8	0.7	10	8.2	0.8	10	8.5	0.8		
11 – 12	3	–	3	2.9	1.0	3	3.1	1.0	6	6.5	1.1	6	6.8	1.1	6	7.2	1.2		
13 – 16	10	–	10	9.1	0.9	10	9.6	1.0	13	13.3	1.0	13	14.0	1.1	13	14.5	1.1		
															13.1%	100.0%			

2. Rand million.

Entities

Municipal Demarcation Board

Selected performance indicators

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

Indicator	Programme/ Objective/ Activity	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Process for delimitation of municipal ward boundaries for local government elections per year	Demarcation and spatial transformation excellence	Outcome 16: Improved service delivery at local government	— ¹	— ¹	— ¹	Engage with all stakeholders on ward delimitation for the 2026 local government elections	All wards published in terms of the Local Government: Municipal Structures Act (1998)	— ¹	— ¹
Process for the determination of municipal boundaries per year	Demarcation and spatial transformation excellence		Municipal boundary redetermination proposals analysed	Determined or redetermined municipal outer boundaries published for class 1 redeterminations	Determined or redetermined municipal outer boundaries published for class 2-4 redeterminations	— ¹	Determined or redetermined municipal outer boundaries published for deferred cases	Municipal boundary redetermination proposals analysed	— ¹
Percentage of municipalities updating capacity assessment data per year	Research, spatial information and intelligence development		Capacity assessment data updated for 57% (142/249) of municipalities	— ¹	— ¹	Capacity assessment data updated for 60% of municipalities	— ¹	— ¹	Capacity assessment data updated for 70% of municipalities
Number of research reports produced per year in line with the board's research strategy	Research, spatial information and intelligence development		2	2	2	2	2	3	3
Number of outreach activities per year to strengthen public and stakeholder awareness and education on demarcation processes	Stakeholder engagement and communication		16	24	22	20	30	14	30

1. Achievements and targets are based on the municipal election cycle.

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 medium term, the board will focus on finalising the delimitation of municipal wards, publishing final wards and handing those wards over to the Electoral Commission to prepare and conduct the 2026 local government elections. The board will also focus on producing 8 research reports and conducting 74 outreach activities over the period ahead to strengthen public and stakeholder awareness and education on demarcation processes.

Expenditure is expected to decrease at an average annual rate of 1.5 per cent, from R91.6 million in 2024/25 to R87.5 million in 2027/28 as a result of reductions implemented in the 2024 Budget. Compensation of employees accounts for an estimated 60 per cent (R157.2 million) of total expenditure over the period ahead to fund the

board's 48 posts. The board expects to receive 92.8 per cent (R242 million) of its revenue over the medium 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 2024/25	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2021/22	2022/23	2023/24		2021/22 - 2024/25	Average: Expenditure/ Total (%)	2025/26	2026/27	2027/28	2024/25 - 2027/28	Average: Expenditure/ Total (%)
Administration	38.2	38.3	46.4	56.9	14.2%	59.6%	50.5	53.5	56.8	-0.1%	63.7%
Demarcation and spatial transformation excellence	12.5	14.7	18.1	20.3	17.6%	21.6%	17.2	17.3	18.2	-3.5%	21.3%
Research, spatial information and intelligence development	2.8	14.1	3.8	4.4	16.9%	8.3%	4.0	4.4	4.5	0.7%	5.1%
Stakeholder engagement and communication	6.4	7.8	7.4	10.0	16.0%	10.5%	7.4	8.5	7.9	-7.5%	9.9%
Total	59.8	74.9	75.8	91.6	15.3%	100.0%	79.0	83.7	87.5	-1.5%	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				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
Audited outcome							2021/22	2022/23	2023/24			2024/25
R million												
Revenue												
Non-tax revenue	0.8	1.7	2.5	17.4	176.5%	6.4%	1.8	3.2	3.3	-42.7%	7.2%	
Other non-tax revenue	0.8	1.7	2.5	17.4	176.5%	6.4%	1.8	3.2	3.3	-42.7%	7.2%	
Transfers received	70.6	74.3	73.1	74.2	1.7%	93.6%	77.2	80.6	84.2	4.3%	92.8%	
Total revenue	71.4	76.0	75.6	91.6	8.6%	100.0%	79.0	83.7	87.5	-1.5%	100.0%	
Expenses												
Current expenses	59.8	74.9	75.8	91.6	15.3%	100.0%	79.0	83.7	87.5	-1.5%	100.0%	
Compensation of employees	37.0	38.5	46.8	47.3	8.5%	56.7%	48.8	52.4	56.0	5.8%	60.0%	
Goods and services	21.6	35.2	27.9	44.3	27.0%	42.0%	30.3	31.4	31.5	-10.8%	40.0%	
Depreciation	1.2	1.3	1.1	—	-100.0%	1.3%	—	—	—	—	—	
Total expenses	59.8	74.9	75.8	91.6	15.3%	100.0%	79.0	83.7	87.5	-1.5%	100.0%	
Surplus/(Deficit)	11.6	1.1	(0.2)	—	-100.0%		—	—	—	—		
Cash flow statement												
Cash flow from operating activities	10.4	5.0	(0.7)	2.2	-40.4%	100.0%	0.9	0.2	1.0	-24.4%	100.0%	
Receipts												
Non-tax receipts	0.8	1.5	2.5	1.8	34.0%	2.2%	1.8	3.2	3.3	21.2%	3.1%	
Other tax receipts	0.8	1.5	2.5	1.8	34.0%	2.2%	1.8	3.2	3.3	21.2%	3.1%	
Transfers received	70.6	74.3	73.1	74.2	1.7%	97.8%	77.2	80.6	84.2	4.3%	96.9%	
Financial transactions in assets and liabilities	0.0	0.1	0.0	—	-100.0%	—	—	—	—	—	—	
Total receipts	71.4	75.9	75.6	76.0	2.1%	100.0%	79.0	83.7	87.5	4.8%	100.0%	
Payment												
Current payments	61.0	70.9	76.3	73.8	6.6%	100.0%	78.2	83.5	86.5	5.4%	100.0%	
Compensation of employees	35.9	38.5	45.1	47.0	9.4%	58.9%	48.8	52.4	56.0	6.0%	63.4%	
Goods and services	25.1	32.5	31.3	26.9	2.2%	41.1%	29.4	31.1	30.5	4.3%	36.6%	
Total payments	61.0	70.9	76.3	73.8	6.6%	100.0%	78.2	83.5	86.5	5.4%	100.0%	
Net cash flow from investing activities	(0.9)	(1.0)	(0.3)	(2.2)	33.7%	100.0%	(0.9)	(0.3)	(1.0)	-24.4%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(0.9)	(0.6)	(0.3)	(2.2)	33.7%	90.6%	(0.9)	(0.3)	(1.0)	-24.4%	100.0%	
Acquisition of software and other intangible assets	—	(0.4)	—	—	—	9.4%	—	—	—	—	—	
Net increase/(decrease) in cash and cash equivalents	9.5	4.0	(1.1)	0.0	-100.0%	4.9%	(0.0)	(0.0)	0.0	2.7%	100.0%	

Table 3.18 Municipal Demarcation Board statements of financial performance, cash flow and financial position (continued)

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2021/22 - 2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2024/25 - 2027/28
R million											
Carrying value of assets	3.0	2.7	2.0	4.3	12.4%	8.5%	4.9	5.6	5.6	9.2%	24.6%
of which:											
Acquisition of assets	(0.9)	(0.6)	(0.3)	(2.2)	33.7%	100.0%	(0.9)	(0.3)	(1.0)	-24.4%	100.0%
Inventory	0.1	0.2	0.2	0.2	40.2%	0.5%	0.2	0.3	0.3	3.2%	1.2%
Receivables and prepayments	2.9	1.6	2.0	1.8	-13.9%	5.6%	1.8	3.2	3.3	21.2%	12.4%
Cash and cash equivalents	35.3	39.3	38.2	20.4	-16.7%	85.4%	14.2	10.5	9.2	-23.3%	61.8%
Total assets	41.3	43.8	42.4	26.8	-13.4%	100.0%	21.2	19.5	18.3	-11.9%	100.0%
Accumulated surplus/(deficit)	37.1	38.2	37.9	17.3	-22.5%	82.7%	12.2	10.5	8.8	-20.1%	56.0%
Trade and other payables	4.2	5.7	4.5	9.5	31.0%	17.3%	9.0	9.0	9.5	—	44.0%
Total equity and liabilities	41.3	43.8	42.4	26.8	-13.4%	100.0%	21.2	19.5	18.3	-11.9%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2025			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											
		2023/24			2024/25			2025/26			2026/27			2027/28			2024/25 - 2027/28		
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	46.8	1.0	48	47.3	1.0	48	48.8	1.0	48	52.4	1.1	48	56.0	1.2	—	100.0%
7 – 10	19	19	19	11.9	0.6	19	11.9	0.6	19	12.2	0.6	19	13.2	0.7	19	14.1	0.7	—	39.6%
11 – 12	18	18	18	17.9	1.0	18	18.1	1.0	18	18.5	1.0	18	19.9	1.1	18	21.3	1.2	—	37.5%
13 – 16	11	11	11	17.0	1.5	11	17.4	1.6	11	18.0	1.6	11	19.3	1.8	11	20.6	1.9	—	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 outcome

Indicator	Programme/Objective/Activity	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Number of municipalities provided with technical support to be compliant with the Spatial Planning and Land Use Management Act (2013) per year	Technical support services	Outcome 16: Improved service delivery at local government	30	30	15	22	29	36	43
Number of young people enrolled in the agent's apprenticeship programme per year	Technical support services	Outcome 1: Increased employment and work opportunities	100	100	— ¹	100	100	100	100
Number of municipal officials trained in municipal infrastructure management per year	Technical support services	Outcome 16: Improved service delivery at local government	519	500	— ¹	500	500	500	500
Number of young people enrolled in the agent's young graduate programme per year	Technical support services	Outcome 1: Increased employment and work opportunities	150	150	— ¹	150	150	150	150
Number of municipalities supported to enhance procurement practices per year	Infrastructure delivery management support	Outcome 16: Improved service delivery at local government	15	9	22	22	22	22	18

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) to provide technical support to and build technical capacity in municipalities to enhance their capability to plan, deliver, operate and maintain municipal infrastructure efficiently.

The agent will continue to provide technical support to 108 municipalities over the medium term to be compliant with the Spatial Planning and Land Use Management Act (2013). To ensure the effective and efficient development, rollout and maintenance of municipal infrastructure over the period ahead, the agent plans to enrol 450 candidates for the young graduate programme and 300 young people in the agent's apprenticeship programme, and provide 1 500 municipal officials with technical skills training. The agent will also aim to help 62 municipalities enhance their procurement practices.

Expenditure is expected to decrease at an average annual rate of 0.2 per cent, from R406.7 million in 2024/25 to R404.8 million in 2027/28, due to the receipt of additional funding in 2024/25 for the eastern seaboard development project. Compensation of employees accounts for an estimated 63.9 per cent (R767.8 million) of the agent's total expenditure over the period ahead. The agent is set to receive all its revenue, amounting to R1.2 billion over the medium term, 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 2024/25	Average growth rate (%) 2021/22 - 2024/25	Average: Expenditure/ Total (%) 2021/22 - 2024/25	Medium-term expenditure estimate			Average growth rate (%) 2024/25 - 2027/28	Average: Expenditure/ Total (%) 2024/25 - 2027/28
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
Administration	209.4	84.7	93.1	106.0	-20.3%	26.8%	109.1	113.3	118.4	3.8%	28.5%
Technical support services	267.1	320.2	186.2	227.5	-5.2%	54.4%	237.7	248.6	259.8	4.5%	62.1%
Infrastructure delivery	89.7	171.2	37.8	73.2	-6.6%	18.9%	24.2	25.4	26.5	-28.7%	9.4%
management support											
Total	566.3	576.1	317.2	406.7	-10.4%	100.0%	371.1	387.3	404.8	-0.2%	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	Audited outcome			Revised estimate 2024/25	Average growth rate (%) 2021/22 - 2024/25	Average: Expenditure/ Total (%) 2021/22 - 2024/25	Medium-term expenditure estimate			Average growth rate (%) 2024/25 - 2027/28	Average: Expenditure/ Total (%) 2024/25 - 2027/28
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28		
R million											
Revenue											
Non-tax revenue	8.7	12.8	11.9	—	-100.0%	1.8%	—	—	—	—	—
Other non-tax revenue	8.7	12.8	11.9	—	-100.0%	1.8%	—	—	—	—	—
Transfers received	629.6	401.3	402.5	406.7	-13.6%	98.2%	371.1	387.3	404.8	-0.2%	100.0%
Total revenue	638.3	414.1	414.5	406.7	-13.9%	100.0%	371.1	387.3	404.8	-0.2%	100.0%
Expenses											
Current expenses	566.3	576.1	317.2	406.7	-10.4%	100.0%	371.1	387.3	404.8	-0.2%	100.0%
Compensation of employees	178.6	197.1	197.1	234.1	9.4%	46.4%	244.6	255.8	267.4	4.5%	63.9%
Goods and services	382.6	373.3	113.1	162.8	-24.8%	52.0%	116.3	120.7	126.2	-8.1%	33.4%
Depreciation	5.1	5.7	7.0	9.8	24.4%	1.6%	10.3	10.7	11.2	4.5%	2.7%
Total expenses	566.3	576.1	317.2	406.7	-10.4%	100.0%	371.1	387.3	404.8	-0.2%	100.0%
Surplus/(Deficit)	72.0	(162.0)	97.3	—	-100.0%		—	—	—	—	
Cash flow statement											
Cash flow from operating activities	240.4	(146.0)	40.2	(49.5)	-159.1%	100.0%	(18.1)	(19.8)	(27.8)	-17.5%	100.0%
Receipts											
Non-tax receipts	8.7	12.8	10.7	6.2	-10.4%	2.1%	6.5	6.8	—	-100.0%	1.2%
Other tax receipts	8.7	12.8	10.7	6.2	-10.4%	2.1%	6.5	6.8	—	-100.0%	1.2%
Transfers received	628.9	401.1	402.5	406.7	-13.5%	97.9%	371.1	387.3	404.8	-0.2%	98.8%
Total receipts	637.5	413.8	413.2	412.9	-13.5%	100.0%	377.6	394.1	404.8	-0.7%	100.0%
Payment											
Current payments	397.2	559.8	373.0	462.4	5.2%	100.0%	395.7	413.9	432.6	-2.2%	100.0%
Compensation of employees	179.7	182.2	199.7	267.8	14.2%	47.3%	244.6	255.8	267.4	-0.1%	60.8%
Goods and services	217.5	377.6	173.3	194.6	-3.6%	52.7%	151.1	158.1	165.2	-5.3%	39.2%
Total payments	397.2	559.8	373.0	462.4	5.2%	100.0%	395.7	413.9	432.6	-2.2%	100.0%

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

Cash flow statement					Average growth rate (%)	Average: Expenditure/ Total (%)				Average growth rate (%)	Average: Expenditure/ Total (%)
	Audited outcome			Revised estimate			Medium-term expenditure estimate				
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Net cash flow from investing activities	(4.0)	(5.9)	(1.9)	–	-100.0%	–	–	–	–	–	–
Acquisition of property, plant, equipment and intangible assets	(4.0)	(5.9)	(2.0)	–	-100.0%	–	–	–	–	–	–
Proceeds from the sale of property, plant, equipment and intangible assets	–	–	0.0	–	–	–	–	–	–	–	–
Net increase/(decrease) in cash and cash equivalents	236.4	(151.9)	38.3	(49.5)	-159.4%	3.8%	(18.1)	(19.8)	(27.8)	-17.5%	100.0%
Statement of financial position											
Carrying value of assets	21.5	21.6	16.6	41.1	24.1%	10.4%	43.0	44.9	47.0	4.5%	18.0%
of which:											
Acquisition of assets	(4.0)	(5.9)	(2.0)	–	-100.0%	–	–	–	–	–	–
Receivables and prepayments	2.6	4.7	5.2	1.2	-22.2%	1.4%	1.3	1.3	1.4	4.5%	0.5%
Cash and cash equivalents	331.3	179.4	217.7	186.7	-17.4%	88.2%	195.0	204.0	213.2	4.5%	81.5%
Total assets	355.4	205.7	239.4	229.0	-13.6%	100.0%	239.3	250.3	261.6	4.5%	100.0%
Accumulated surplus/(deficit)	263.8	101.7	198.0	147.3	-17.7%	67.7%	153.9	161.0	168.2	4.5%	64.3%
Trade and other payables	76.7	85.1	27.9	69.9	-3.0%	26.3%	73.1	76.4	79.9	4.5%	30.5%
Provisions	14.9	18.9	13.5	11.8	-7.5%	6.0%	12.3	12.9	13.5	4.5%	5.1%
Total equity and liabilities	355.4	205.7	239.4	229.0	-13.6%	100.0%	239.3	250.3	261.6	4.5%	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 2025			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						2024/25 - 2027/28					
		2023/24			2024/25			2025/26			2026/27			2027/28					
Municipal Infrastructure Support Agent			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	523	523	423	197.1	0.5	523	234.1	0.4	423	244.6	0.6	423	255.8	0.6	423	267.4	0.6	-6.8%	
1 – 6	328	328	228	5.7	0.0	328	42.7	0.1	228	45.8	0.2	228	47.9	0.2	228	50.0	0.2	-11.4%	
7 – 10	60	60	60	34.2	0.6	60	34.2	0.6	60	35.7	0.6	60	37.4	0.6	60	39.1	0.7	–	
11 – 12	89	89	89	91.2	1.0	89	91.1	1.0	89	95.2	1.1	89	99.6	1.1	89	104.0	1.2	–	
13 – 16	46	46	46	66.0	1.4	46	66.1	1.4	46	67.9	1.5	46	71.0	1.5	46	74.2	1.6	–	

1. Rand million.