

Cooperative Governance

Budget summary

R million	2026/27				2027/28	2028/29
	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total	Total
MTEF allocation						
Administration	412.9	5.2	5.0	423.1	435.7	449.2
Local Government Operations and Support	109.6	19 268.6	535.6	19 913.8	21 980.2	22 663.4
Policy, Governance and Local Government Administration	268.1	110 519.4	–	110 787.5	114 897.1	118 468.0
National Disaster Management Centre	88.5	572.5	1.6	662.5	689.3	710.7
Community Work Programme	3 202.7	–	20.2	3 222.9	3 527.9	3 637.5
Total expenditure estimates	4 081.9	130 365.7	562.3	135 009.9	141 530.2	145 928.8

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 outcome

Indicator	Programme	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Percentage of municipalities receiving the municipal infrastructure grant that are spending a minimum of 60 per cent of their grant allocations per year	Local Government Operations and Support		– ¹	69% (152/220)	76% (167/221)	80%	83%	86%	86%
Number of districts/metros monitored to implement at least 2 district development model catalytic projects from the approved One Plan per year	Local Government Operations and Support	Improved service delivery in the local government sphere	– ¹	11	20	40	44	48	48
Total number of municipal spatial development frameworks assessed and recommendations provided for compliance with the Spatial Planning and Land Use Management Act (2013)	Policy, Governance and Local Government Administration		– ¹	30	15	70	100	– ²	– ²

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

Indicator	Programme	MTDP outcome	Audited performance			Estimated performance	MTEF targets		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Number of municipalities supported per year in the implementation of disaster risk reduction strategies to prevent, prepare and mitigate disaster risks and enhance climate protection through disaster management plans	National Disaster Management Centre	Improved service delivery in the local government sphere	10	14	5	14	14	14	14
Number of people participating in the community work programme per year	Community Work Programme	Outcome 1: Increased employment and work opportunities	250 000	269 889	251 049	200 000	180 000	180 000	180 000

1. No historical data available

2. Indicator discontinued from 2027/28.

Expenditure overview

Over the next 3 years, the department plans to focus on extending access to basic services and supporting local government performance and service delivery, mitigating disaster risk and enhancing resilience, and promoting income security through public employment.

The department's expenditure is expected to increase at an average annual rate of 3.2 per cent, from R132.6 billion in 2025/26 to R145.9 billion in 2028/29, with transfers and subsidies to public entities and municipalities accounting for an estimated 96.8 per cent (R408.8 billion) of the total budget over the period. Spending on compensation of employees is set to increase at an average annual rate of 4.1 per cent, from R451.5 million in 2025/26 to R509.2 million in 2028/29.

Extending access to basic services and supporting local government

An estimated 81.1 per cent (R342.6 billion) of the department's total budget over the MTEF period is earmarked for transfers to municipalities to supplement their operational and administrative costs, and support the provision of free basic services to poor households. These transfers are made through the *Local Government Equitable Share* subprogramme in the *Policy, Governance and Local Government Administration* programme.

Through the *municipal infrastructure grant* in the *Local Government Operations and Support* programme, the department plans to transfer R58.2 billion over the medium term to municipalities for the construction, refurbishment and upgrading of basic municipal infrastructure such as for water supply, electricity reticulation and roads in poor areas. To promote effective spending and improve infrastructure delivery, over the period ahead, the department plans to increase transfers to at least 83 per cent of municipalities that receive funding from the *municipal infrastructure grant* spending a minimum of 60 per cent of their grant allocations.

As a step towards improving the functioning of local government, the department is at an advanced stage of finalising the review of the 1998 White Paper on Local Government. The review is intended to assess institutional, political and administrative frameworks, as well as the fiscal framework; and identify strengths, gaps and opportunities for reform to enhance the effectiveness and sustainability of local governance in South Africa.

To provide a one-off gratuity for qualifying non-returning councillors, R300 million is reprioritised from the *Municipal Infrastructure Grant* subprogramme in the *Local Government Operations and Support* programme in 2026/27. This practice will be phased out from 2027/28, as per the 2024 recommendation by the Independent Commission for the Remuneration of Public Office Bearers. In the future, municipalities will need to make provisions where necessary.

Mitigating disaster risk and enhancing resilience

Climate change continues to pose significant threats through natural disasters such as floods, droughts and wildfires. To support the mitigation of disaster risk and enhance resilience, the department plans to assess at least 14 municipal disaster plans for risk assessment and preparedness in disaster-prone areas in each year over the MTEF period. It also aims to have finalised the review of the disaster management system to Cabinet by March 2027 to strengthen national and local coordination and provide timely disaster response and

management. These activities are funded through the *National Disaster Management Centre* programme, which has a total budget of R2.1 billion over the next 3 years.

Providing income support through public employment

The department is tasked with managing the community work programme, a non-state public employment initiative that aims to foster social and economic inclusion by providing individuals with a source of income in targeted areas in which there is high unemployment. To this end, through the programme, the department plans to offer and sustain 180 000 work opportunities in each year over the MTEF period to unemployed and vulnerable people, particularly in poor communities. The department also plans to enhance governance and oversight, and better align community work activities with municipal priorities and skills development. To accomplish this, the community work programme is allocated budget of R10.4 billion over the period ahead. These allocations are expected to increase at an average annual rate of 3.2 per cent, from R3.3 billion in 2025/26 to R3.6 billion in 2028/29.

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	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
R million	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Programme 1	348.1	363.6	362.5	422.3	6.7%	0.3%	423.1	435.7	449.2	2.1%	0.3%
Programme 2	18 402.8	18 015.6	18 756.4	19 599.4	2.1%	15.4%	19 913.8	21 980.2	22 663.4	5.0%	15.3%
Programme 3	84 224.0	92 546.1	99 855.4	106 498.3	8.1%	79.1%	110 787.5	114 897.1	118 468.0	3.6%	81.5%
Programme 4	3 900.0	2 272.1	2 011.7	2 797.8	-10.5%	2.3%	662.5	689.3	710.7	-36.7%	0.5%
Programme 5	3 834.1	3 602.6	3 338.6	3 306.3	-4.8%	2.9%	3 222.9	3 527.9	3 637.5	3.2%	2.5%
Subtotal	110 709.1	116 800.1	124 324.6	132 624.1	6.2%	100.0%	135 009.9	141 530.2	145 928.8	3.2%	100.0%
Total	110 709.1	116 800.1	124 324.6	132 624.1	6.2%	100.0%	135 009.9	141 530.2	145 928.8	3.2%	100.0%
Change to 2025 Budget estimate							(1 790.4)	(1 456.4)	(3 476.6)		
Economic classification											
Current payments	4 454.4	4 273.7	4 069.8	4 194.6	-2.0%	3.5%	4 081.9	4 443.3	4 583.5	3.0%	3.1%
Compensation of employees	346.4	355.5	372.7	451.5	9.2%	0.3%	472.4	493.9	509.2	4.1%	0.3%
Goods and services ¹	4 107.9	3 918.2	3 697.0	3 743.1	-3.1%	3.2%	3 609.5	3 949.4	4 074.3	2.9%	2.8%
<i>of which:</i>											
Minor assets	9.5	1.2	0.6	1.3	-48.3%	0.0%	193.3	201.0	207.3	439.9%	0.1%
Consultants: Business and advisory services	202.4	77.0	116.7	91.4	-23.3%	0.1%	207.8	216.4	223.4	34.7%	0.2%
Contractors	3 289.6	3 451.4	3 188.1	3 058.9	-2.4%	2.7%	2 428.1	2 701.5	2 785.5	-3.1%	1.9%
Agency and support/outsourced services	73.5	54.8	93.7	102.0	11.5%	0.1%	247.2	255.1	265.1	37.5%	0.2%
Consumable supplies	161.0	21.1	2.2	71.4	-23.7%	0.1%	121.8	126.7	130.6	22.3%	0.1%
Training and development	88.0	13.1	12.4	20.0	-39.0%	0.0%	117.5	142.6	147.0	94.5%	0.1%
Interest and rent on land	0.0	0.0	0.1	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Transfers and subsidies¹	106 234.2	112 507.8	120 187.8	127 928.9	6.4%	96.4%	130 365.7	137 080.5	141 338.8	3.4%	96.8%
Provinces and municipalities	105 700.6	111 983.7	119 656.3	127 430.2	6.4%	95.9%	129 541.8	136 538.4	140 781.9	3.4%	96.3%
Departmental agencies and accounts	510.8	511.0	517.8	486.7	-1.6%	0.4%	505.3	525.5	541.8	3.6%	0.4%
Foreign governments and international organisations	0.3	0.4	0.4	0.8	33.3%	0.0%	0.8	0.9	0.9	3.7%	0.0%
Public corporations and private enterprises	-	0.0	-	-	0.0%	0.0%	-	-	-	0.0%	0.0%
Non-profit institutions	8.5	8.6	8.8	9.0	1.9%	0.0%	9.5	9.8	10.1	4.0%	0.0%
Households	13.9	4.1	4.5	2.2	-45.6%	0.0%	308.3	6.0	4.0	21.7%	0.1%
Payments for capital assets	19.9	15.7	64.4	500.6	192.8%	0.1%	562.3	6.3	6.5	-76.5%	0.1%
Buildings and other fixed structures	0.7	0.2	57.8	493.8	797.1%	0.1%	535.6	-	-	-100.0%	0.1%
Machinery and equipment	19.2	15.5	6.5	6.8	-29.4%	0.0%	26.7	6.3	6.5	-1.2%	0.0%
Software and other intangible assets	0.0	-	-	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Payments for financial assets	0.6	2.9	2.7	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Total	110 709.1	116 800.1	124 324.6	132 624.1	6.2%	100.0%	135 009.9	141 530.2	145 928.8	3.2%	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

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R thousand											
Households											
Social benefits											
Current	2 855	1 773	2 507	240	-56.2%	-	4 346	-	-	-100.0%	0.0%
Employee social benefits	2 855	1 773	2 507	240	-56.2%	-	-	-	-	-100.0%	-
Early retirement and voluntary exit programmes	-	-	-	-	-	-	4 346	-	-	-	0.0%
Other transfers to households											
Current	11 071	2 365	2 009	2 000	-43.5%	-	303 990	5 980	4 041	26.4%	0.1%
Employee social benefits	531	1 237	1 942	-	-100.0%	-	-	-	-	-	-
Non-returning local government councillors	8 940	-	67	-	-100.0%	-	300 000	-	-	-	0.1%
Bursaries for non-employees	1 600	1 128	-	2 000	7.7%	-	3 990	5 980	4 041	26.4%	0.0%
Provinces and municipalities											
Provincial agencies and funds											
Current	24	29	31	56	32.6%	-	56	60	62	3.5%	0.0%
Vehicle licences	24	29	31	56	32.6%	-	56	60	62	3.5%	0.0%
Municipal bank accounts											
Current	83 937 770	92 261 856	99 503 727	106 087 022	8.1%	81.8%	110 090 001	114 483 348	118 041 399	3.6%	83.8%
Vehicle licences	9	-	-	-	-100.0%	-	-	-	-	-	-
Local government equitable share	83 937 761	92 261 856	99 503 727	106 087 022	8.1%	81.8%	110 090 001	114 483 348	118 041 399	3.6%	83.8%
Capital	21 762 771	19 721 778	20 003 219	21 191 854	-0.9%	17.7%	19 294 406	21 891 336	22 571 701	2.1%	15.6%
Integrated urban development grant	1 085 368	1 172 448	1 145 564	1 278 114	5.6%	1.0%	1 379 189	1 434 303	1 478 880	5.0%	1.1%
Municipal infrastructure grant	16 842 001	16 341 585	17 054 355	17 357 571	1.0%	14.5%	17 504 197	20 029 611	20 652 115	6.0%	14.2%
Municipal disaster response grant	516 661	873 172	378 342	395 054	-8.6%	0.5%	411 020	427 422	440 706	3.7%	0.3%
Municipal disaster recovery grant	3 318 741	1 334 573	1 424 958	2 161 115	-13.3%	1.8%	-	-	-	-100.0%	-
Provincial revenue funds											
Current	-	-	6	-	-	-	-	-	-	-	-
Vehicle licences	-	-	6	-	-	-	-	-	-	-	-
Capital	-	-	149 345	151 259	-	0.1%	157 372	163 652	168 738	3.7%	0.1%
Provincial disaster response grant	-	-	149 345	151 259	-	0.1%	157 372	163 652	168 738	3.7%	0.1%
Foreign governments and international organisations											
Current	336	378	373	795	33.3%	-	816	859	886	3.7%	0.0%
Commonwealth Local Government Forum	336	378	373	795	33.3%	-	816	859	886	3.7%	0.0%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	-	22	-	-	-	-	-	-	-	-	-
Communication	-	22	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	510 836	510 966	517 819	486 704	-1.6%	0.4%	505 298	525 462	541 793	3.6%	0.4%
Municipal Infrastructure Support Agent	400 216	401 454	406 679	371 078	-2.5%	0.3%	385 255	400 629	413 080	3.6%	0.3%
South African Local Government Association	36 280	36 408	36 949	38 440	1.9%	-	39 909	41 501	42 791	3.6%	0.0%
Municipal Demarcation Board	74 340	73 104	74 191	77 186	1.3%	0.1%	80 134	83 332	85 922	3.6%	0.1%
Non-profit institutions											
Current	8 508	8 633	8 759	9 015	1.9%	-	9 454	9 827	10 130	4.0%	0.0%
South African Cities Network	8 508	8 538	8 664	9 015	1.9%	-	9 359	9 732	10 035	3.6%	0.0%
Disaster Management Institute of Southern Africa	-	95	95	-	-	-	95	95	95	-	0.0%
Total	106 234 171	112 507 800	120 187 795	127 928 945	6.4%	100.0%	130 365 739	137 080 524	141 338 750	3.4%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2026		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											
		2024/25		2025/26		2026/27			2027/28			2028/29			2025/26 - 2028/29	2026/27 - 2028/29			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Cooperative Governance	447	9	447	372.7	0.8	515	451.5	0.9	512	472.4	0.9	504	493.9	1.0	487	509.2	1.0	-1.9%	100.0%
Salary level																			
1 – 6	116	2	116	39.4	0.3	127	46.2	0.4	124	47.7	0.4	120	48.8	0.4	109	47.4	0.4	-5.0%	23.5%
7 – 10	125	1	125	74.1	0.6	150	93.2	0.6	149	98.0	0.7	148	102.1	0.7	145	105.5	0.7	-1.0%	29.4%
11 – 12	103	3	103	102.1	1.0	127	132.4	1.0	126	138.0	1.1	125	144.4	1.2	122	148.8	1.2	-1.3%	24.8%
13 – 16	101	3	101	152.2	1.5	110	174.8	1.6	110	183.7	1.7	110	193.7	1.8	109	202.7	1.9	-0.3%	21.9%
Other	2	–	2	4.9	2.5	2	4.9	2.5	2	4.9	2.5	2	4.9	2.5	2	4.9	2.5	–	0.4%
Programme	447	9	447	372.7	0.8	515	451.5	0.9	512	472.4	0.9	504	493.9	1.0	487	509.2	1.0	-1.9%	100.0%
Programme 1	227	7	227	173.7	0.8	240	192.6	0.8	238	200.7	0.8	235	209.1	0.9	230	215.6	0.9	-1.5%	46.8%
Programme 2	80	1	80	71.6	0.9	89	83.1	0.9	90	88.1	1.0	91	93.2	1.0	89	96.1	1.1	-0.1%	18.0%
Programme 3	82	–	82	75.6	0.9	90	89.2	1.0	89	93.1	1.1	87	97.2	1.1	81	100.3	1.2	-3.5%	17.1%
Programme 4	28	–	28	27.9	1.0	53	51.2	1.0	52	53.6	1.0	51	56.0	1.1	50	57.7	1.2	-2.0%	10.2%
Programme 5	30	1	30	23.8	0.8	43	35.5	0.8	42	36.9	0.9	41	38.3	0.9	38	39.5	1.0	-4.7%	8.0%

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 (%)			
					2026/27	2027/28	2028/29					
R thousand	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29		
Departmental receipts	9 449	7 441	5 165	3 409	3 409	-28.8%	100.0%	3 605	3 666	3 835	4.0%	100.0%
Sales of goods and services produced by department	200	228	249	905	905	65.4%	6.2%	955	1 006	1 045	4.9%	27.1%
Sales by market establishments	200	228	193	800	800	58.7%	5.6%	900	950	980	7.0%	25.5%
of which:												
Rental parking:	200	228	193	800	800	58.7%	5.6%	850	900	980	7.0%	24.6%
Covered and open	–	–	–	–	–	–	–	50	50	–	–	0.9%
Sale of assets less than R5 000	–	–	–	–	–	–	–	–	–	–	–	–
Other sales	–	–	56	105	105	–	0.6%	55	56	65	-14.8%	1.6%
of which:												
Capital equipment	–	–	–	50	50	–	0.2%	55	56	65	9.1%	1.6%
Services rendered:	–	–	55	55	55	–	0.4%	–	–	–	-100.0%	–
Commission on insurance and garnishee	–	–	–	–	–	–	–	–	–	–	–	–
Replacement of security cards	–	–	1	–	–	–	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	–	–	–	1	1	–	–	–	–	–	-100.0%	–
of which:												
sales of scrap	–	–	–	1	1	–	–	–	–	–	-100.0%	–
Interest, dividends and rent on land	1 356	2 685	2 694	1 803	1 803	10.0%	33.5%	1 900	1 900	2 000	3.5%	52.2%
Interest	1 356	2 685	1 200	–	–	-100.0%	20.6%	–	–	–	–	–
Dividends	–	–	1 494	1 803	1 803	–	12.9%	1 900	1 900	2 000	3.5%	52.2%
of which:												
Bank accounts	–	–	1 487	1 800	1 800	–	12.9%	1 900	1 900	2 000	3.6%	52.2%
Interest received from private sector	–	–	7	3	3	–	–	–	–	–	-100.0%	–
Sales of capital assets	–	–	332	–	–	–	1.3%	–	–	–	–	–
Transactions in financial assets and liabilities	7 893	4 528	1 890	700	700	-55.4%	58.9%	750	760	790	4.1%	20.7%
Total	9 449	7 441	5 165	3 409	3 409	-28.8%	100.0%	3 605	3 666	3 835	4.0%	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 (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
Ministry	39.7	32.6	41.5	48.1	6.6%	10.8%	52.2	54.0	55.5	4.8%	12.4%
Management	27.9	27.2	30.4	31.5	4.1%	7.8%	36.6	37.3	38.5	6.9%	8.6%
Corporate Services	159.5	166.7	150.8	189.6	5.9%	44.5%	171.4	179.4	185.0	-0.8%	41.0%
Financial Management	54.5	55.9	56.9	58.2	2.2%	15.1%	61.9	60.1	61.9	2.1%	14.1%
Internal Audit and Risk management	11.8	11.1	10.7	13.0	3.4%	3.1%	13.6	14.2	14.7	4.1%	3.2%
Office Accommodation	54.7	70.0	72.2	82.0	14.5%	18.6%	87.4	90.8	93.7	4.5%	20.8%
Total	348.1	363.6	362.5	422.3	6.7%	100.0%	423.1	435.7	449.2	2.1%	100.0%
Change to 2025 Budget estimate				-			7.2	1.7	(4.4)		
Economic classification											
Current payments	341.4	347.1	354.4	416.5	6.9%	97.5%	412.9	430.3	443.6	2.1%	98.4%
Compensation of employees	167.0	163.7	173.7	192.6	4.9%	46.6%	200.7	209.1	215.6	3.8%	47.8%
Goods and services	174.4	183.4	180.6	223.9	8.7%	50.9%	212.3	221.2	228.0	0.6%	50.6%
of which:											
Audit costs: External	17.6	16.8	16.7	18.3	1.4%	4.6%	19.4	20.1	20.8	4.3%	4.6%
Computer services	21.0	22.2	14.3	47.8	31.4%	7.0%	26.6	27.7	28.6	-15.7%	6.3%
Legal services	21.1	15.1	8.7	5.8	-35.2%	3.4%	4.5	4.7	4.9	-5.1%	1.1%
Operating leases	45.0	56.7	57.5	65.4	13.3%	15.0%	70.3	73.2	75.5	4.9%	16.7%
Property payments	26.4	30.7	30.0	34.0	8.8%	8.1%	36.3	37.6	38.8	4.5%	8.6%
Travel and subsistence	18.3	16.4	23.1	27.1	13.9%	5.7%	26.7	28.3	29.0	2.2%	6.4%
Interest and rent on land	0.0	0.0	0.1	-	-100.0%	0.0%	-	-	-	-	-
Transfers and subsidies	2.5	1.3	1.4	1.1	-24.5%	0.4%	5.2	0.9	0.9	-4.6%	0.5%
Provinces and municipalities	0.0	0.0	0.0	0.1	32.6%	0.0%	0.1	0.1	0.1	3.5%	0.0%
Foreign governments and international organisations	0.3	0.4	0.4	0.8	33.3%	0.1%	0.8	0.9	0.9	3.7%	0.2%
Public corporations and private enterprises	-	0.0	-	-	-	0.0%	-	-	-	-	-
Households	2.2	0.9	1.0	0.2	-52.1%	0.3%	4.3	-	-	-100.0%	0.3%
Payments for capital assets	3.9	12.7	5.4	4.8	7.2%	1.8%	5.0	4.5	4.6	-1.0%	1.1%
Machinery and equipment	3.9	12.7	5.4	4.8	7.2%	1.8%	5.0	4.5	4.6	-1.0%	1.1%
Payments for financial assets	0.3	2.4	1.4	-	-100.0%	0.3%	-	-	-	-	-
Total	348.1	363.6	362.5	422.3	6.7%	100.0%	423.1	435.7	449.2	2.1%	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	1.7	0.5	0.4	0.2	-47.9%	0.2%	4.3	-	-	-100.0%	0.3%
Employee social benefits	1.7	0.5	0.4	0.2	-47.9%	0.2%	-	-	-	-100.0%	-
Early retirement and voluntary exit programmes	-	-	-	-	-	-	4.3	-	-	-	0.3%
Other transfers to households											
Current	0.5	0.4	0.6	-	-100.0%	0.1%	-	-	-	-	-
Employee social benefits	0.5	0.4	0.6	-	-100.0%	0.1%	-	-	-	-	-
Provinces and municipalities											
Provincial agencies and funds											
Current	0.0	0.0	0.0	0.1	32.6%	-	0.1	0.1	0.1	3.5%	0.0%
Vehicle licences	0.0	0.0	0.0	0.1	32.6%	-	0.1	0.1	0.1	3.5%	0.0%
Foreign governments and international organisations											
Current	0.3	0.4	0.4	0.8	33.3%	0.1%	0.8	0.9	0.9	3.7%	0.2%
Commonwealth Local Government Forum	0.3	0.4	0.4	0.8	33.3%	0.1%	0.8	0.9	0.9	3.7%	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 2026			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										
			2024/25			2025/26			2026/27		2027/28		2028/29				2025/26 - 2028/29	2026/27 - 2028/29	
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Administration																			
Salary level	227	7	227	173.7	0.8	240	192.6	0.8	238	200.7	0.8	235	209.1	0.9	230	215.6	0.9	-1.5%	100.0%
1 – 6	78	2	78	26.2	0.3	84	30.1	0.4	83	31.3	0.4	82	32.5	0.4	80	33.6	0.4	-1.8%	34.8%
7 – 10	63	–	63	39.1	0.6	64	41.6	0.7	64	43.7	0.7	63	45.5	0.7	63	48.0	0.8	-0.5%	27.0%
11 – 12	44	2	44	42.8	1.0	50	51.9	1.0	49	53.4	1.1	48	55.2	1.2	46	55.9	1.2	-2.7%	20.4%
13 – 16	40	3	40	60.6	1.5	40	64.1	1.6	40	67.3	1.7	40	71.0	1.8	39	73.2	1.9	-0.8%	16.9%
Other	2	–	2	4.9	2.5	2	4.9	2.5	2	4.9	2.5	2	4.9	2.5	2	4.9	2.5	–	0.9%

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	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2022/23	2023/24	2024/25		2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
R million											
Management: Local Government Operations and Support	4.2	19.6	25.4	23.8	78.0%	0.1%	14.7	16.3	16.8	-10.9%	0.1%
Municipal and Provincial Governance Support and Capacity Building	71.0	80.5	66.6	75.1	1.9%	0.4%	94.9	99.4	102.5	10.9%	0.5%
Municipal Infrastructure Grant	16 842.0	16 341.6	17 112.2	17 851.4	2.0%	91.1%	18 039.8	20 029.6	20 652.1	5.0%	91.0%
Integrated Urban Development Grant	1 085.4	1 172.4	1 145.6	1 278.1	5.6%	6.3%	1 379.2	1 434.3	1 478.9	5.0%	6.6%
Municipal Infrastructure Support Agent	400.2	401.5	406.7	371.1	-2.5%	2.1%	385.3	400.6	413.1	3.6%	1.9%
Total	18 402.8	18 015.6	18 756.4	19 599.4	2.1%	100.0%	19 913.8	21 980.2	22 663.4	5.0%	100.0%
Change to 2025 Budget estimate				-			(1 334.5)	(230.1)	(543.8)		
Economic classification											
Current payments	74.9	99.7	91.8	98.8	9.7%	0.5%	109.6	115.6	119.3	6.5%	0.5%
Compensation of employees	59.0	64.9	71.6	83.1	12.1%	0.4%	88.1	93.2	96.1	5.0%	0.4%
Goods and services	16.0	34.7	20.2	15.8	-0.5%	0.1%	21.5	22.4	23.2	13.8%	0.1%
of which:											
Administrative fees	0.5	1.2	0.6	0.9	23.3%	0.0%	1.8	1.8	1.9	28.2%	0.0%
Computer services	3.9	-	-	3.9	0.1%	0.0%	0.7	0.7	0.8	-41.7%	0.0%
Consultants: Business and advisory services	0.9	-	-	-	-100.0%	0.0%	1.7	1.8	1.8	-	0.0%
Rental and hiring	-	3.3	0.8	0.1	-	0.0%	1.0	1.0	1.0	116.9%	0.0%
Travel and subsistence	6.5	24.1	10.7	6.6	0.7%	0.1%	11.1	11.0	11.4	19.7%	0.1%
Venues and facilities	2.8	1.0	4.9	2.1	-9.4%	0.0%	2.8	3.4	3.6	20.5%	0.0%
Transfers and subsidies	18 327.7	17 915.6	18 606.6	19 006.8	1.2%	98.8%	19 268.6	21 864.5	22 544.1	5.9%	98.6%
Provinces and municipalities	17 927.4	17 514.0	18 199.9	18 635.7	1.3%	96.7%	18 883.4	21 463.9	22 131.0	5.9%	96.8%
Departmental agencies and accounts	400.2	401.5	406.7	371.1	-2.5%	2.1%	385.3	400.6	413.1	3.6%	1.9%
Households	0.2	0.1	-	-	-100.0%	0.0%	-	-	-	-	-
Payments for capital assets	0.1	0.0	58.0	493.8	1886.5%	0.7%	535.6	-	-	-100.0%	0.8%
Buildings and other fixed structures	-	-	57.8	493.8	-	0.7%	535.6	-	-	-100.0%	0.8%
Machinery and equipment	0.1	0.0	0.2	0.0	-18.6%	0.0%	-	-	-	-100.0%	-
Payments for financial assets	0.1	0.3	0.0	-	-100.0%	0.0%	-	-	-	-	-
Total	18 402.8	18 015.6	18 756.4	19 599.4	2.1%	100.0%	19 913.8	21 980.2	22 663.4	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	16.6%	15.4%	15.1%	14.8%	-	-	14.7%	15.5%	15.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.2	0.1	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.2	0.1	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Capital	17 927.4	17 514.0	18 199.9	18 635.7	1.3%	96.7%	18 883.4	21 463.9	22 131.0	5.9%	96.8%
Integrated urban development grant	1 085.4	1 172.4	1 145.6	1 278.1	5.6%	6.3%	1 379.2	1 434.3	1 478.9	5.0%	6.6%
Municipal infrastructure grant	16 842.0	16 341.6	17 054.4	17 357.6	1.0%	90.4%	17 504.2	20 029.6	20 652.1	6.0%	90.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	400.2	401.5	406.7	371.1	-2.5%	2.1%	385.3	400.6	413.1	3.6%	1.9%
Municipal Infrastructure Support Agent	400.2	401.5	406.7	371.1	-2.5%	2.1%	385.3	400.6	413.1	3.6%	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 2026			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											
			2024/25			2025/26			2026/27			2027/28			2028/29					2025/26 - 2028/29
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Local Government Operations and Support																				
Salary level	80	1	80	71.6	0.9	89	83.1	0.9	90	88.1	1.0	91	93.2	1.0	89	96.1	1.1	-0.1%	100.0%	
1 – 6	12	–	12	5.0	0.4	12	5.4	0.4	14	6.5	0.5	15	7.2	0.5	15	7.6	0.5	6.3%	16.1%	
7 – 10	25	1	25	15.5	0.6	30	19.9	0.7	30	20.9	0.7	30	22.0	0.7	27	21.0	0.8	-3.2%	31.7%	
11 – 12	21	–	21	19.9	0.9	25	25.1	1.0	25	26.4	1.1	25	27.8	1.1	25	29.4	1.2	0.0%	27.7%	
13 – 16	22	–	22	31.3	1.4	22	32.6	1.5	22	34.3	1.6	22	36.2	1.6	22	38.2	1.7	–	24.4%	

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 2027.
- 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 2027.

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 the programme's 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* supports the implementation of free basic services policies, ensures compliance with the annual Division of Revenue Act, supports municipalities in property valuation and rating as per the Local Government: Municipal Property Rates Act (2004), oversees 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, and advances urban and spatial development through

strengthened instruments under the Spatial Planning and Land Use Management Act (2013) to promote sustainable municipal growth.

- *Municipal Governance* directs and supports governance policy development, ensures the 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.
- *Municipal Demarcation Board* transfers its entire budget to the Municipal Demarcation Board to fund its operational activities such as capacity assessments, ward delimitation and boundary redeterminations.
- *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 Programme* 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 (%)
	2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29	
Management: Policy, Governance and Local Government Administration	2.8	10.0	6.1	12.6	65.2%	0.0%	6.2	6.4	6.6	-19.3%	0.0%
Municipal Administration and Capacity	16.3	15.2	15.1	15.4	-1.9%	0.0%	15.4	16.0	16.5	2.4%	0.0%
Municipal Funding and Revenue Support	48.4	26.6	17.0	20.5	-24.9%	0.0%	23.0	24.3	25.2	7.1%	0.0%
Development Planning	2.6	25.8	21.5	20.7	98.9%	0.0%	17.9	18.8	19.4	-2.1%	0.0%
Municipal Governance	53.6	53.8	52.0	58.0	2.6%	0.1%	365.2	67.6	69.6	6.3%	0.1%
Knowledge Management, Monitoring and Report Systems	24.7	26.1	29.6	32.5	9.5%	0.0%	32.3	33.7	34.7	2.2%	0.0%
Municipal Demarcation Board	74.3	73.1	74.2	77.2	1.3%	0.1%	80.1	83.3	85.9	3.6%	0.1%
Local Government Equitable Share	83 937.8	92 261.9	99 503.7	106 087.0	8.1%	99.7%	110 090.0	114 483.3	118 041.4	3.6%	99.6%
Municipal Systems Improvement Programme	63.5	53.8	136.0	174.5	40.0%	0.1%	157.4	163.6	168.7	-1.1%	0.1%
Total	84 224.0	92 546.1	99 855.4	106 498.3	8.1%	100.0%	110 787.5	114 897.1	118 468.0	3.6%	100.0%
Change to 2025 Budget estimate				-			(274.9)	(1 187.5)	(2 827.7)		
Economic classification											
Current payments	157.6	165.7	229.8	286.6	22.1%	0.2%	268.1	279.2	287.9	0.1%	0.2%
Compensation of employees	71.9	84.8	75.6	89.2	7.5%	0.1%	93.1	97.2	100.3	4.0%	0.1%
Goods and services	85.7	80.9	154.2	197.5	32.1%	0.1%	175.0	182.0	187.6	-1.7%	0.2%
of which:											
Administrative fees	0.4	0.5	0.3	0.6	20.9%	0.0%	0.5	0.6	0.6	-1.6%	0.0%
Communication	1.1	0.9	1.1	1.0	-3.6%	0.0%	0.7	0.7	0.7	-8.4%	0.0%
Computer services	7.4	5.1	8.9	14.7	25.9%	0.0%	1.6	1.6	1.6	-51.8%	0.0%
Consultants: Business and advisory services	9.8	15.9	42.0	72.7	95.2%	0.0%	163.8	170.3	175.6	34.2%	0.1%
Contractors	-	2.0	1.1	-	-	0.0%	2.0	2.2	2.2	-	0.0%
Travel and subsistence	5.9	5.7	4.0	4.9	-5.9%	0.0%	6.0	6.2	6.4	9.5%	0.0%
Transfers and subsidies	84 066.4	92 380.4	99 625.0	106 211.7	8.1%	99.8%	110 519.4	114 617.9	118 180.1	3.6%	99.8%
Provinces and municipalities	83 937.8	92 261.9	99 503.7	106 087.0	8.1%	99.7%	110 090.0	114 483.3	118 041.4	3.6%	99.6%
Departmental agencies and accounts	110.6	109.5	111.1	115.6	1.5%	0.1%	120.0	124.8	128.7	3.6%	0.1%
Non-profit institutions	8.5	8.5	8.7	9.0	1.9%	0.0%	9.4	9.7	10.0	3.6%	0.0%
Households	9.5	0.5	1.5	-	-100.0%	0.0%	300.0	-	-	-	0.1%

Table 3.10 Policy, Governance and Local Government Administration 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 (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
Payments for capital assets	0.0	0.1	0.1	0.0	33.9%	0.0%	-	-	-	-100.0%	-
Machinery and equipment	0.0	0.1	0.1	0.0	33.9%	0.0%	-	-	-	-100.0%	-
Payments for financial assets	0.1	0.0	0.4	-	-100.0%	0.0%	-	-	-	-	-
Total	84 224.0	92 546.1	99 855.4	106 498.3	8.1%	100.0%	110 787.5	114 897.1	118 468.0	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	76.1%	79.2%	80.3%	80.3%	-	-	82.1%	81.2%	81.2%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.5	0.5	0.1	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.5	0.5	0.1	-	-100.0%	-	-	-	-	-	-
Other transfers to households											
Current	9.0	-	1.4	-	-100.0%	-	300.0	-	-	-	0.1%
Employee social benefits	0.1	-	1.3	-	-100.0%	-	-	-	-	-	-
Non-returning local government councillors	8.9	-	0.1	-	-100.0%	-	300.0	-	-	-	0.1%
Provinces and municipalities											
Municipal bank accounts											
Current	83 937.8	92 261.9	99 503.7	106 087.0	8.1%	99.7%	110 090.0	114 483.3	118 041.4	3.6%	99.6%
Local government equitable share	83 937.8	92 261.9	99 503.7	106 087.0	8.1%	99.7%	110 090.0	114 483.3	118 041.4	3.6%	99.6%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	110.6	109.5	111.1	115.6	1.5%	0.1%	120.0	124.8	128.7	3.6%	0.1%
South African Local Government Association	36.3	36.4	36.9	38.4	1.9%	-	39.9	41.5	42.8	3.6%	0.0%
Municipal Demarcation Board	74.3	73.1	74.2	77.2	1.3%	0.1%	80.1	83.3	85.9	3.6%	0.1%
Non-profit institutions											
Current	8.5	8.5	8.7	9.0	1.9%	-	9.4	9.7	10.0	3.6%	0.0%
South African Cities Network	8.5	8.5	8.7	9.0	1.9%	-	9.4	9.7	10.0	3.6%	0.0%

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 2026	Number of posts additional to the funded posts	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											
		2024/25			2025/26			2026/27		2027/28		2028/29				2025/26 - 2028/29	2026/27 - 2028/29		
Policy, Governance and Local Government Administration																			
Salary level	82	-	82	75.6	0.9	90	89.2	1.0	89	93.1	1.1	87	97.2	1.1	81	100.3	1.2	-3.5%	100.0%
1-6	12	-	12	3.9	0.3	12	4.3	0.3	11	3.9	0.4	10	3.7	0.4	4	1.7	0.4	-30.7%	9.5%
7-10	27	-	27	13.9	0.5	31	17.0	0.5	31	17.9	0.6	30	18.3	0.6	30	19.3	0.6	-0.9%	35.5%
11-12	25	-	25	27.4	1.1	26	30.3	1.2	26	31.9	1.2	26	33.6	1.3	26	35.5	1.4	-	30.4%
13-16	18	-	18	30.5	1.7	21	37.5	1.8	21	39.4	1.9	21	41.6	2.0	21	43.8	2.1	-	24.5%

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
 - providing 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.
- 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 in 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 occurs.
- *Municipal Disaster Recovery Grant* rehabilitates and reconstructs municipal infrastructure damaged by disasters. This subprogramme makes transfers only when a disaster is classified.
- *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 (%)
	2022/23	2023/24	2024/25	2025/26				2026/27	2027/28	2028/29		
R million						2022/23 - 2025/26						
Management: National Disaster Management Centre	42.5	32.3	24.1	41.0	-1.2%	1.3%	36.3	38.4	43.1	1.7%	5.7%	
Disaster Policy, Institutional Development and Compliance	8.1	8.0	7.7	18.5	32.0%	0.4%	9.1	11.5	9.9	-19.0%	1.5%	
Disaster Risk Reduction and Capacity Development	4.1	9.4	11.4	19.1	67.0%	0.4%	18.6	19.2	19.6	0.9%	2.8%	
Disaster Preparedness, Response and Recovery Coordination	10.0	14.6	15.8	11.7	5.7%	0.5%	30.1	29.2	28.7	34.7%	4.3%	
Municipal Disaster Recovery Grant	3 318.7	1 334.6	1 425.0	2 161.1	-13.3%	75.0%	–	–	–	-100.0%	–	
Disaster Response Grant	516.7	873.2	527.7	546.3	1.9%	22.4%	568.4	591.1	609.4	3.7%	85.8%	
Total	3 900.0	2 272.1	2 011.7	2 797.8	-10.5%	100.0%	662.5	689.3	710.7	-36.7%	100.0%	
Change to 2025 Budget estimate				–			(3.2)	(6.5)	(16.4)			

Table 3.12 National Disaster Management Centre 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 (%)		
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27			2027/28	2028/29
	2025/26 - 2028/29	2026/27 - 2028/29	2028/29										
R million													
Current payments	62.8	61.4	56.4	87.7	11.7%	2.4%	88.5	90.5	95.4	2.9%	13.3%		
Compensation of employees	23.2	24.8	27.9	51.2	30.3%	1.2%	53.6	56.0	57.7	4.1%	8.1%		
Goods and services	39.7	36.6	28.5	36.4	-2.8%	1.3%	34.9	34.5	37.7	1.2%	5.2%		
<i>of which:</i>													
Computer services	7.6	9.9	7.9	17.0	30.5%	0.4%	17.0	17.5	17.9	1.9%	2.5%		
Consultants: Business and advisory services	3.2	3.9	0.9	0.3	-54.7%	0.1%	7.7	8.2	8.7	209.2%	1.2%		
Agency and support/outsourced services	18.6	13.0	9.5	1.0	-62.2%	0.4%	3.0	1.2	3.3	48.8%	0.4%		
Travel and subsistence	2.3	4.8	5.7	9.6	60.7%	0.2%	4.8	5.2	5.3	-17.8%	0.7%		
Training and development	0.0	0.3	-	0.8	198.5%	0.0%	1.1	0.8	0.8	0.7%	0.1%		
Operating payments	0.3	0.6	0.3	0.5	18.0%	0.0%	0.3	0.3	0.4	-11.3%	0.1%		
Transfers and subsidies	3 837.2	2 210.3	1 954.7	2 709.4	-11.0%	97.5%	572.5	597.1	613.6	-39.0%	86.5%		
Provinces and municipalities	3 835.4	2 207.8	1 952.7	2 707.4	-11.0%	97.5%	568.4	591.1	609.4	-39.2%	85.8%		
Non-profit institutions	-	0.1	0.1	-	-	0.0%	0.1	0.1	0.1	-	0.0%		
Households	1.8	2.4	2.0	2.0	3.3%	0.1%	4.0	6.0	4.0	26.4%	0.7%		
Payments for capital assets	-	0.4	0.6	0.7	-	0.0%	1.6	1.6	1.7	33.7%	0.2%		
Machinery and equipment	-	0.4	0.6	0.7	-	0.0%	1.6	1.6	1.7	33.7%	0.2%		
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	0.0%	-	-	-	-	-		
Total	3 900.0	2 272.1	2 011.7	2 797.8	-10.5%	100.0%	662.5	689.3	710.7	-36.7%	100.0%		
Proportion of total programme expenditure to vote expenditure	3.5%	1.9%	1.6%	2.1%	-	-	0.5%	0.5%	0.5%	-	-		
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	1.6	1.9	0.0	2.0	7.7%	0.1%	4.0	6.0	4.0	26.4%	0.7%		
Employee social benefits	-	0.8	0.0	-	-	-	-	-	-	-	-		
Bursaries for non-employees	1.6	1.1	-	2.0	7.7%	-	4.0	6.0	4.0	26.4%	0.7%		
Provinces and municipalities													
Provincial agencies and funds													
Current	-	0.0	-	-	-	-	-	-	-	-	-		
Vehicle licences	-	0.0	-	-	-	-	-	-	-	-	-		
Municipal bank accounts													
Capital	3 835.4	2 207.7	1 803.3	2 556.2	-12.7%	94.7%	411.0	427.4	440.7	-44.3%	62.0%		
Municipal disaster response grant	516.7	873.2	378.3	395.1	-8.6%	19.7%	411.0	427.4	440.7	3.7%	62.0%		
Municipal disaster recovery grant	3 318.7	1 334.6	1 425.0	2 161.1	-13.3%	75.0%	-	-	-	-100.0%	-		
Provincial revenue funds													
Current	-	-	0.0	-	-	-	-	-	-	-	-		
Vehicle licences	-	-	0.0	-	-	-	-	-	-	-	-		
Capital	-	-	149.3	151.3	-	2.7%	157.4	163.7	168.7	3.7%	23.7%		
Provincial disaster response grant	-	-	149.3	151.3	-	2.7%	157.4	163.7	168.7	3.7%	23.7%		
Non-profit institutions													
Current	-	0.1	0.1	-	-	-	0.1	0.1	0.1	-	0.0%		
Disaster Management Institute of Southern Africa	-	0.1	0.1	-	-	-	0.1	0.1	0.1	-	0.0%		

Personnel information

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

Number of posts estimated for 31 March 2026			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										
			2024/25			2025/26			2026/27			2027/28			2028/29				
National Disaster Management Centre			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	28	–	28	27.9	1.0	53	51.2	1.0	52	53.6	1.0	51	56.0	1.1	50	57.7	1.2	-2.0%	100.0%
1–6	2	–	2	0.8	0.4	4	1.6	0.4	3	1.4	0.5	2	1.0	0.5	2	0.8	0.5	-23.4%	4.4%
7–10	6	–	6	3.3	0.5	14	8.3	0.6	14	8.7	0.6	14	9.2	0.7	14	9.7	0.7	-0.2%	27.5%
11–12	9	–	9	8.4	0.9	20	19.2	1.0	20	20.1	1.0	20	21.2	1.1	19	21.3	1.1	-1.7%	38.7%
13–16	11	–	11	15.4	1.4	15	22.2	1.5	15	23.3	1.6	15	24.6	1.6	15	25.9	1.7	–	29.5%

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 180 000 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 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 (%)
	2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million					2022/23 - 2025/26						
Coordination, Partnerships and Implementation	3 745.9	3 595.4	3 324.3	3 280.9	-4.3%	99.0%	3 195.4	3 499.0	3 609.7	3.2%	99.2%
Monitoring and Evaluation	88.2	7.2	14.3	25.4	-34.0%	1.0%	27.6	28.9	27.8	3.1%	0.8%
Total	3 834.1	3 602.6	3 338.6	3 306.3	-4.8%	100.0%	3 222.9	3 527.9	3 637.5	3.2%	100.0%
Change to 2025 Budget estimate				–			(185.0)	(34.0)	(84.4)		

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 (%)				
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27			2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
	R million														
Current payments	3 817.7	3 599.8	3 337.4	3 305.0	-4.7%	99.8%	3 202.7	3 527.7	3 637.3	3.2%	99.8%				
Compensation of employees	25.5	17.2	23.8	35.5	11.7%	0.7%	36.9	38.3	39.5	3.6%	1.1%				
Goods and services	3 792.2	3 582.6	3 313.6	3 269.5	-4.8%	99.1%	3 165.8	3 489.4	3 597.8	3.2%	98.7%				
of which:															
Administrative fees	29.9	26.8	25.7	26.6	-3.8%	0.8%	37.2	38.7	39.9	14.4%	1.1%				
Minor assets	8.4	0.2	0.1	0.6	-58.5%	0.1%	189.5	197.1	203.2	597.1%	5.7%				
Contractors	3 288.3	3 446.8	3 185.2	3 056.7	-2.4%	92.2%	2 426.1	2 699.4	2 783.3	-3.1%	76.1%				
Agency and support/outsourced services	4.4	5.5	–	15.0	51.0%	0.2%	240.7	250.3	258.1	158.2%	7.2%				
Consumable supplies	159.9	19.0	0.0	67.7	-24.9%	1.8%	121.7	126.6	130.5	24.4%	3.6%				
Training and development	87.0	3.1	0.1	9.0	-53.1%	0.7%	111.9	137.1	141.4	150.4%	3.8%				
Transfers and subsidies	0.3	0.2	0.0	–	-100.0%	0.0%	–	–	–	–	–				
Provinces and municipalities	0.0	–	–	–	-100.0%	0.0%	–	–	–	–	–				
Households	0.3	0.2	0.0	–	-100.0%	0.0%	–	–	–	–	–				
Payments for capital assets	16.0	2.5	0.3	1.3	-57.2%	0.1%	20.2	0.2	0.2	-43.8%	0.2%				
Buildings and other fixed structures	0.7	0.2	–	–	-100.0%	0.0%	–	–	–	–	–				
Machinery and equipment	15.3	2.4	0.3	1.3	-56.6%	0.1%	20.2	0.2	0.2	-43.8%	0.2%				
Software and other intangible assets	0.0	–	–	–	-100.0%	0.0%	–	–	–	–	–				
Payments for financial assets	0.1	0.1	0.9	–	-100.0%	0.0%	–	–	–	–	–				
Total	3 834.1	3 602.6	3 338.6	3 306.3	-4.8%	100.0%	3 222.9	3 527.9	3 637.5	3.2%	100.0%				
Proportion of total programme expenditure to vote expenditure	3.5%	3.1%	2.7%	2.5%	–	–	2.4%	2.5%	2.5%	–	–				
Details of transfers and subsidies															
Households															
Social benefits															
Current	0.3	0.2	0.0	–	-100.0%	–	–	–	–	–	–				
Employee social benefits	0.3	0.2	0.0	–	-100.0%	–	–	–	–	–	–				
Provinces and municipalities															
Municipal bank accounts															
Current	0.0	–	–	–	-100.0%	–	–	–	–	–	–				
Vehicle licences	0.0	–	–	–	-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 2026		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											
			2024/25		2025/26		2026/27		2027/28		2028/29		2025/26 - 2028/29	2026/27 - 2028/29						
	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	30	1		30	23.8	0.8	43	35.5	0.8	42	36.9	0.9	41	38.3	0.9	38	39.5	1.0	-4.7%	100.0%
1 – 6	12	–		12	3.5	0.3	14	4.8	0.3	13	4.7	0.4	12	4.3	0.4	9	3.6	0.4	-15.8%	27.7%
7 – 10	4	–		4	2.3	0.6	11	6.4	0.6	11	7.1	0.6	11	7.5	0.7	11	7.5	0.7	–	27.4%
11 – 12	4	1		4	3.7	0.9	6	5.9	1.0	6	6.2	1.0	6	6.5	1.1	6	6.8	1.1	–	15.0%
13 – 16	10	–		10	14.4	1.4	12	18.4	1.5	12	19.3	1.6	12	20.4	1.7	12	21.5	1.8	–	29.9%

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 outcome

Indicator	Programme/ Objective/ Activity	MTDP outcome	Audited performance			Estimated performance 2025/26	MTEF targets		
			2022/23	2023/24	2024/25		2026/27	2027/28	2028/29
Process for delimitation of municipal ward boundaries for local government elections per year	Demarcation and spatial transformation excellence	Improved service delivery in the local government sphere	– 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	Engage with all stakeholders on ward delimitation for the 2031 local government elections
Process for the determination of municipal boundaries per year	Demarcation and spatial transformation excellence		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	Determined or redetermined municipal outer boundaries published	– ¹
Process for the assessment of all municipalities' capacity to perform their powers and functions per year	Research, spatial information and intelligence development		– ¹	– ¹	Capacity assessment data updated for 60% of municipalities	– ¹	Review capacity assessment model	Update capacity assessment data for 70% of municipalities	– ¹
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	3	3	3
Number of outreach activities per year to strengthen public and stakeholder awareness and education on demarcation processes	Stakeholder engagement and communication		24	22	20	30	14	30	14

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 ensuring election readiness, boundary stability and sound, research-driven demarcation. As part of its preparations for the 2031 municipal elections, over the MTEF period, the board will engage with all stakeholders on the municipal ward delimitation process, analyse municipal boundary redetermination proposals and publish determined or redetermined municipal outer boundaries. It also plans to conduct and produce 9 research reports and conduct 58 outreach activities to support evidence-based demarcation decisions and policy advice while strengthening public awareness.

Expenditure is expected to decrease at an average annual rate of 6.7 per cent, from R112 million in 2025/26 to R90.9 million in 2028/29. This is mainly due to the retention of surplus funds in 2025/26 to enable the board to finalise activities related to the preparation of the 2026 local government elections and lower inflation-linked increases over the medium term as a result of lower inflation projections. Spending on compensation of employees accounts for an estimated 62.6 per cent (R162.9 million) of total expenditure over the medium term.

The board receives the bulk of its revenue through transfers from the department, which amount to R249.4 million over the period ahead. Revenue is expected to increase in line with expenditure.

Programmes/Objectives/Activities

Table 3.17 Municipal Demarcation Board expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2022/23	2023/24	2024/25		2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Administration	38.3	46.4	51.3	66.1	20.0%	58.8%	55.3	56.2	59.0	-3.7%	65.5%
Demarcation and spatial transformation excellence	14.7	18.1	19.9	27.9	23.9%	23.5%	17.2	19.0	20.2	-10.2%	21.7%
Research, spatial information and intelligence development	14.1	3.8	3.7	5.2	-28.4%	7.8%	4.2	4.9	4.7	-3.1%	5.3%
Stakeholder engagement and communication	7.8	7.4	6.1	12.8	17.9%	9.9%	6.1	6.3	6.9	-18.6%	7.5%
Total	74.9	75.8	81.0	112.0	14.4%	100.0%	82.8	86.5	90.9	-6.7%	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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2022/23	2023/24	2024/25		2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Revenue											
Non-tax revenue	1.7	2.5	3.3	2.2	9.3%	3.1%	2.7	3.2	4.9	31.9%	4.2%
Other non-tax revenue	1.7	2.5	3.3	2.2	9.3%	3.1%	2.7	3.2	4.9	31.9%	4.2%
Transfers received	74.3	73.1	74.2	77.2	1.3%	96.9%	80.1	83.3	85.9	3.6%	95.8%
Total revenue	76.0	75.6	77.5	79.3	1.4%	100.0%	82.8	86.5	90.9	4.6%	100.0%
Expenses											
Current expenses	74.9	75.8	81.0	112.0	14.4%	100.0%	82.8	86.5	90.9	-6.7%	100.0%
Compensation of employees	38.5	46.8	45.5	48.4	8.0%	52.1%	50.7	54.2	58.0	6.2%	62.6%
Goods and services	35.2	27.9	35.6	63.6	21.8%	47.2%	32.1	32.4	32.9	-19.7%	37.4%
Depreciation	1.3	1.1	-	-	-100.0%	0.7%	-	-	-	-	-
Total expenses	74.9	75.8	81.0	112.0	14.4%	100.0%	82.8	86.5	90.9	-6.7%	100.0%
Surplus/(Deficit)	1.1	(0.2)	(3.5)	(32.7)	-409.8%		-	-	-	-100.0%	
Cash flow statement											
Cash flow from operating activities											
Receipts											
Non-tax receipts	1.5	2.5	1.8	2.2	12.6%	2.6%	2.7	3.2	4.5	28.0%	4.0%
Other tax receipts	1.5	2.5	1.8	2.2	12.6%	2.6%	2.7	3.2	4.5	28.0%	4.0%
Transfers received	74.3	73.1	74.2	77.2	1.3%	97.4%	80.1	83.3	85.9	3.6%	96.0%
Financial transactions in assets and liabilities	0.1	0.0	-	-	-100.0%	-	-	-	-	-	-
Total receipts	75.9	75.6	76.0	79.3	1.5%	100.0%	82.8	86.5	90.4	4.5%	100.0%
Payment											
Current payments	70.9	76.3	79.0	91.0	8.6%	100.0%	82.5	85.6	90.4	-0.2%	100.0%
Compensation of employees	38.5	46.8	45.5	49.1	8.5%	56.7%	50.7	54.2	58.0	5.7%	63.0%
Goods and services	32.5	29.5	33.6	41.9	8.9%	43.3%	31.8	31.4	32.5	-8.2%	37.0%
Total payments	70.9	76.3	79.0	91.0	8.6%	100.0%	82.5	85.6	90.4	-0.2%	100.0%
Net cash flow from investing activities	(1.0)	(0.3)	(1.6)	(0.9)	-4.3%	100.0%	(0.3)	(1.0)	-	-100.0%	100.0%
Acquisition of property, plant, equipment and intangible assets	(0.6)	(0.3)	(1.6)	(0.9)	12.0%	90.1%	(0.3)	(1.0)	-	-100.0%	100.0%
Acquisition of software and other intangible assets	(0.4)	-	-	-	-100.0%	9.9%	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	4.0	(1.1)	(4.5)	(12.5)	-246.5%	100.0%	-	0.0	-	-100.0%	100.0%

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

Statement of financial position				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome							2025/26	2026/27	2027/28		
R million	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29	
Carrying value of assets	2.7	2.0	2.5	4.9	21.8%	8.3%	5.6	5.6	3.8	-8.3%	32.0%
<i>of which:</i>											
Acquisition of assets	(0.6)	(0.3)	(1.6)	(0.9)	12.0%	100.0%	(0.3)	(1.0)	–	-100.0%	100.0%
Inventory	0.2	0.2	0.2	0.2	8.5%	0.6%	0.3	0.3	0.1	-25.3%	1.3%
Receivables and prepayments	1.6	2.0	2.2	1.8	4.2%	5.2%	3.2	3.3	1.5	-6.7%	17.0%
Cash and cash equivalents	39.3	38.2	33.7	14.2	-28.7%	85.9%	10.5	9.2	3.5	-37.3%	49.6%
Total assets	43.8	42.4	38.6	21.2	-21.5%	100.0%	19.5	18.3	8.9	-25.2%	100.0%
Accumulated surplus/(deficit)	38.2	37.9	34.4	12.2	-31.6%	84.0%	10.5	8.8	3.5	-34.0%	48.8%
Trade and other payables	5.7	4.5	4.2	9.0	16.6%	16.0%	9.0	9.5	5.4	-15.8%	51.2%
Total equity and liabilities	43.8	42.4	38.6	21.2	-21.5%	100.0%	19.5	18.3	8.9	-25.2%	100.0%

Personnel information

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

Municipal Demarcation Board	Number of posts estimated for 31 March 2026			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 posts	Number of posts on establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									
				2024/25	2025/26		2026/27		2027/28		2028/29		2025/26 - 2028/29	2026/27 - 2028/29					
	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	45.5	0.9	48	48.4	1.0	48	50.7	1.1	48	54.2	1.1	48	58.0	1.2	–	100.0%
1 – 6	1	1	1	2.3	2.3	1	2.5	2.5	1	2.3	2.3	1	2.5	2.5	1	2.7	2.7	–	2.1%
7 – 10	19	19	19	10.9	0.6	19	12.1	0.6	19	12.9	0.7	19	13.7	0.7	19	14.6	0.8	–	39.6%
11 – 12	18	18	18	18.1	1.0	18	18.6	1.0	18	19.5	1.1	18	20.9	1.2	18	22.3	1.2	–	37.5%
13 – 16	10	10	10	14.2	1.4	10	15.2	1.5	10	16.0	1.6	10	17.1	1.7	10	18.3	1.8	–	20.8%

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			
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
Number of municipalities receiving the municipal infrastructure grant with increased access to basic services in water, roads, solid waste and sanitation	Technical support services	Improved service delivery in the local government sphere	44	60% ¹	55	55	55	55	55	
Number of dysfunctional municipalities with improved infrastructure resilience to climate change	Technical support services		– ²	10	15	15	15	15	15	
Number of municipalities provided with technical support to incorporate labour-intensive construction methods in implementing grant-funded infrastructure projects	Technical support services	Increased employment and work opportunities	25	25	30	30	30	30	30	
Number of municipalities supported with the enhancement of procurement practices per year	Infrastructure delivery management support	An ethical, capable and professional public service	22	23	22	18	18	18	18	

1. Indicator was measured as a percentage in this year.

2. 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.

Over the medium term, the agent will focus on strengthening planning, boosting implementation and maintenance, building municipal technical and managerial capacity, and facilitating innovative financing and procurement that aims to accelerate infrastructure delivery, reduce backlogs and improve municipal service delivery outcomes. To achieve this, over the MTEF period, the agent will support 54 municipalities in enhancing procurement practices and provide technical support to 90 municipalities to incorporate labour-intensive construction methods in implementing grant-funded infrastructure projects.

The agent's total budget is R1.2 billion over the period ahead, of which spending on compensation of employees accounts for an estimated 66.9 per cent (R802.6 million). The agent derives its revenue mainly through departmental transfers. Expenditure and revenue are expected to increase at an average annual rate of 3.6 per cent, from R371.1 million in 2025/26 to R413.1 million in 2028/29.

Programmes/Objectives/Activities

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

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
Administration	84.7	93.1	106.0	109.1	8.8%	23.7%	113.3	118.4	123.8	4.3%	29.7%
Technical Support Services	320.2	186.2	217.6	237.7	-9.5%	57.9%	246.6	255.7	261.6	3.2%	63.7%
Infrastructure delivery management support	171.2	37.8	73.2	24.2	-47.9%	18.4%	25.4	26.5	27.7	4.5%	6.6%
Total	576.1	317.2	396.7	371.1	-13.6%	100.0%	385.3	400.6	413.1	3.6%	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	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2022/23	2023/24	2024/25				2025/26	2022/23 - 2025/26	2026/27		
R million											
Revenue											
Non-tax revenue	12.8	11.9	19.6	—	-100.0%	2.7%	—	—	—	—	—
Sale of goods and services other than capital assets	—	—	3.4	—	—	0.2%	—	—	—	—	—
Other non-tax revenue	12.8	11.9	16.1	—	-100.0%	2.5%	—	—	—	—	—
Transfers received	401.3	402.5	406.8	371.1	-2.6%	97.3%	385.3	400.6	413.1	3.6%	100.0%
Total revenue	414.1	414.5	426.4	371.1	-3.6%	100.0%	385.3	400.6	413.1	3.6%	100.0%
Expenses											
Current expenses	576.1	317.2	396.7	371.1	-13.6%	100.0%	385.3	400.6	413.1	3.6%	100.0%
Compensation of employees	197.1	196.3	199.7	244.6	7.5%	50.4%	255.8	267.4	279.4	4.5%	66.9%
Goods and services	373.3	113.9	187.2	116.3	-32.2%	47.6%	118.7	122.0	122.0	1.6%	30.3%
Depreciation	5.7	7.0	9.8	10.3	21.4%	2.0%	10.7	11.2	11.7	4.5%	2.8%
Total expenses	576.1	317.2	396.7	371.1	-13.6%	100.0%	385.3	400.6	413.1	3.6%	100.0%
Surplus/(Deficit)	(162.0)	97.3	29.6	—	-100.0%		—	—	—	—	

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

Cash flow statement		Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2022/23	2023/24	2024/25				2025/26	2026/27	2027/28		
R million		2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26		2026/27	2027/28	2028/29	2025/26 - 2028/29	2026/27 - 2028/29
Cash flow from operating activities		(146.0)	40.2	30.3	(18.1)	-50.2%	100.0%	(19.8)	(27.8)	(29.1)	17.2%	100.0%
Receipts												
Non-tax receipts		12.8	10.7	16.1	6.5	-20.1%	2.8%	6.8	-	-	-100.0%	0.6%
Other tax receipts		12.8	10.7	16.1	6.5	-20.1%	2.8%	6.8	-	-	-100.0%	0.6%
Transfers received		401.1	402.5	409.5	371.1	-2.6%	97.2%	385.3	400.6	413.1	3.6%	99.4%
Total receipts		413.8	413.2	425.7	377.6	-3.0%	100.0%	392.1	400.6	413.1	3.0%	100.0%
Payment												
Current payments		559.8	373.0	395.3	395.7	-10.9%	100.0%	411.9	428.5	442.2	3.8%	100.0%
Compensation of employees		182.2	199.7	198.2	244.6	10.3%	47.8%	255.8	267.4	279.4	4.5%	62.6%
Goods and services		377.6	173.3	197.1	151.1	-26.3%	52.2%	156.1	161.1	162.8	2.5%	37.4%
Total payments		559.8	373.0	395.3	395.7	-10.9%	100.0%	411.9	428.5	442.2	3.8%	100.0%
Net cash flow from investing activities		(5.9)	(1.9)	(5.7)	-	-100.0%	100.0%	-	-	-	-	-
Acquisition of property, plant, equipment and intangible assets		(5.9)	(2.0)	(5.7)	-	-100.0%	100.1%	-	-	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets		-	0.0	-	-	-	-0.1%	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents		(151.9)	38.3	24.6	(18.1)	-50.8%	100.0%	(19.8)	(27.8)	(29.1)	17.2%	100.0%
Statement of financial position												
Carrying value of assets		21.6	16.6	14.5	43.0	25.7%	10.0%	44.9	47.0	49.1	4.5%	18.0%
of which:												
Acquisition of assets		(5.9)	(2.0)	(5.7)	-	-100.0%	100.0%	-	-	-	-	-
Receivables and prepayments		4.7	5.2	18.2	1.3	-35.4%	3.1%	1.3	1.4	1.5	4.5%	0.5%
Cash and cash equivalents		179.4	217.7	242.3	195.0	2.8%	87.0%	204.0	213.2	222.8	4.5%	81.5%
Total assets		205.7	239.4	274.9	239.3	5.2%	100.0%	250.3	261.6	273.3	4.5%	100.0%
Accumulated surplus/(deficit)		101.7	198.0	228.0	153.9	14.8%	71.0%	161.0	168.2	175.8	4.5%	64.3%
Trade and other payables		85.1	27.9	32.3	73.1	-4.9%	22.8%	76.4	79.9	83.5	4.5%	30.5%
Provisions		18.9	13.5	14.7	12.3	-13.3%	6.2%	12.9	13.5	14.1	4.5%	5.1%
Total equity and liabilities		205.7	239.4	274.9	239.3	5.2%	100.0%	250.3	261.6	273.3	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 2026		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Average growth rate of personnel posts (%)	Average: salary level/ Total (%)	
		Actual			Revised estimate			Medium-term expenditure estimate											
Number of approved funded posts	Number of posts on establishment	2024/25			2025/26			2026/27			2027/28			2028/29			2025/26 - 2028/29	2026/27 - 2028/29	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Municipal Infrastructure Support Agent	423	423	199.7	0.5	423	244.6	0.6	423	255.8	0.6	423	267.4	0.6	423	279.4	0.7	-	100.0%	
Salary level	423	423	199.7	0.5	423	244.6	0.6	423	255.8	0.6	423	267.4	0.6	423	279.4	0.7	-	100.0%	
1 – 6	228	228	228	8.3	0.0	228	45.8	0.2	228	47.9	0.2	228	50.0	0.2	228	52.3	0.2	-	53.9%
7 – 10	60	60	60	34.2	0.6	60	35.7	0.6	60	37.4	0.6	60	39.1	0.7	60	40.8	0.7	-	14.2%
11 – 12	89	89	89	91.1	1.0	89	95.2	1.1	89	99.6	1.1	89	104.0	1.2	89	108.7	1.2	-	21.0%
13 – 16	46	46	46	66.1	1.4	46	67.9	1.5	46	71.0	1.5	46	74.2	1.6	46	77.6	1.7	-	10.9%

1. Rand million.