

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

VOTE 4



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2016

National Treasury

Republic of South Africa

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The 2016 Estimates of National Expenditure e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Cooperative Governance and Traditional Affairs

**National Treasury
Republic of South Africa**



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Vote 4

Cooperative Governance and Traditional Affairs

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	266.5	261.4	0.1	5.0	258.3	270.3
Regional and Urban Development and Legislative Support	332.2	34.8	297.4	–	146.2	88.9
Institutional Development	68 122.2	159.7	67 962.4	–	73 707.1	79 318.1
National Disaster Management Centre	598.9	75.1	521.5	2.3	521.8	547.2
Local Government Support and Intervention Management	483.2	79.6	403.6	–	170.3	168.8
Community Work Programme	3 191.2	3 191.2	–	–	3 753.4	3 865.2
Total expenditure estimates	72 994.0	3 801.7	69 185.0	7.3	78 557.2	84 258.5

Executive authority: Minister of Cooperative Governance and Traditional Affairs
 Accounting officer: Director General of Cooperative Governance
 Website address: www.cogta.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

Vote purpose

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

Mandate

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

- the Intergovernmental Relations Framework Act (2005)
- the Municipal Property Rates Act (2004)
- the Municipal Systems Act (2000)
- the Municipal Structures Act (1998).

Selected performance indicators

Table 4.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of partnerships facilitated between municipalities and the private sector per year	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	–1	–1	–1	24	10	15	8
Number of spatial contracts facilitated for key restructuring zones and targeted regions per year	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	–2	–2	–2	–2	8	15	10

Table 4.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of municipalities (of 40 targeted municipalities) supported in implementing local economic development programmes per year ²	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	25	25	35	40	40	40	40
Total number of towns and cities implementing the Clean Cities and Towns programme ³	Regional and Urban Development and Legislative Support		8	8	8	8	8	8	8
Number of municipalities supported to develop and institutionalise community complaints management mechanisms per year	Institutional Development		-1	-1	-1	40	78	80	80
Number of municipalities assessed and guided to comply with the rating aspects of the Municipal Property Rates Act (2004) by target date	Institutional Development		24	30	40	152	193	213	213
Value of municipalities spending on municipal infrastructure grant per year	Institutional Development		R13.9bn	R14.4bn	R14.7bn	R15bn	R14.9bn	R15.9bn	R16.9bn
Total number of fully functional disaster management centres (of 62) across the three spheres of government ³	National Disaster Management Centre		40	50	30	58	60	62	62
Number of smaller municipalities (136 in total) supported to implement the revised integrated development planning framework per year	Local Government Support and Intervention Management		-4	70	136	136	136	136	136
Number of municipalities where Back-to-Basics interventions are being implemented per year	Local Government Support and Intervention Management		-2	-2	-2	-2	36	47	83
Total number of provinces assessed for institutional capacity	Local Government Support and Intervention Management		-4	4	9	9	9	9	9
Number of work opportunities created through the community work programme per year	Community Work Programme		205 494	172 000	187 021	197 000	268 000	268 000	267 000

1. No historical data is available as these are new indicators introduced in 2015/16.

2. No historical data is available as this indicator is introduced in 2016/17 as part of the implementation of the Back-to-Basics strategy.

3. The department will not report on these indicators in future as they have been included as part of the Back-to-Basics programme.

4. No historical data is available as this indicator was introduced in 2013/14.

Expenditure analysis

Back-to-Basics was launched in September 2014 at the presidential local government summit hosted by the Department of Cooperative Governance. Back-to-Basics is an urgent action plan to strengthen local government, which is a key component of the developmental state. The programme has 5 pillars: prioritise residents; support the delivery of municipal services to the right quality and standard; promote good governance, transparency and accountability; ensure sound financial management and accounting; and build institutional resilience and administrative capability. The national development plan envisages a developmental and capable state, and acknowledges the need to produce and develop technical and specialist skills in government to overcome the skills shortage and professionalise the public service, particularly at local government level. Back-to-Basics is linked to outcome 9 (a responsive, accountable and efficient local government system) of government's 2014-2019 medium term strategic framework.

While Back-to-Basics has had significant successes, it has not yet had enough impact on residents' experience of local government. The department has reported internal capacity challenges as negatively impacting on its implementation of Back-to-Basics. The department's main focus over the medium term will be on implementing Back-to-Basics interventions in 166 municipalities, prioritised from the total of 258 because they are experiencing difficulties. The Back-to-Basics interventions are geared mainly towards delivering basic services, delivering municipal infrastructure and strengthening institutional capacity, and local economic development and job creation.

At 30 September 2015, the department had 429 funded posts and no additional posts.

Delivering basic services

Over the medium term, the department projects spending R221 billion on the delivery of basic services and infrastructure, budgeted for in the *Institutional Development* programme, which constitutes 94.1 per cent of the department's total budget over the medium term. The department receives increased funding of R14.7 billion over the medium term for this programme, of which R12.7 billion is for the local government equitable share

grant. The increase in the equitable share is to support the anticipated bulk tariff increases in the costs of basic services over the period.

The local government equitable share grant underspent by R2.9 billion in 2014/15. National Treasury withheld the grant from 60 municipalities that failed to pay water boards and Eskom for services provided. The withholding is in line with section 39 of the Municipal Finance Management Act (2003). National Treasury, the Department of Cooperative Governance and the South African Local Government Association met with the municipalities and established debt repayment agreements. National Treasury monitors adherence to the agreements to ensure that proactive interventions can be made if a municipality fails to pay the service providers as agreed. Interventions would include further engagements with the municipality, assistance with municipal revenue and debt management plans, and negotiating affordable repayment plans.

Delivering municipal infrastructure and strengthening institutional capacity

The municipal infrastructure grant is an important vehicle for delivering basic municipal infrastructure to poorer communities through local government, and an important enabler of the Back-to-Basics programme. The department administers and disburses the municipal infrastructure grant to municipalities, who use it for infrastructure projects. Over the MTEF period, the municipal infrastructure grant is projected to grow from R14.9 billion in 2016/17 to R16.9 billion in 2018/19. Through the *Management: Local Government Support and Interventions* subprogramme, the department plans to strengthen its administration role to monitor and support municipalities in their spending of their grant allocations.

The Municipal Infrastructure Support Agency will continue to strengthen municipal institutional capacity. Transfers amounting to R1.1 billion over the MTEF period are made to the agency in the *Institutional Development* programme.

The municipal systems improvement grant, previously a direct grant to municipalities for the development and strengthening of municipal administrative systems, has been converted to an indirect grant from 2016/17. The department can now decide on capacity interventions at the local government level. R303 million of the municipal systems improvement grant allocation over the MTEF period will be directed towards the development of municipal revenue management plans and records management systems. R45 million over the medium term will be used for procuring the integrated property and consumer database and for developing a system to align municipal organograms with assigned municipal powers and functions.

Local economic development and job creation

Over the medium term, the community work programme, which is part of Back-to-Basics, aims to increase the number of sites where the programme is implemented. The community work programme targets unemployed youth in formal settlements to provide day-to-day services such as grass cutting, gardening, patching potholes and cleaning cemeteries, among many others. After the Cabinet approved reductions of R773.4 million over the medium term on the budget of the *Community Work Programme* programme, the programme's budget is R10.8 billion for the period and projected growth is at an average annual rate of 17.7 per cent. This budget will still enable the programme to create 267 000 new job opportunities per year by 2018/19. The programme has dual benefits for personal development and economic participation and growth. Participants benefit from its training programmes, and get work experience and exposure that will provide them with skills that could be used in the formal economy.

Expenditure trends

Table 4.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Regional and Urban Development and Legislative Support														
3. Institutional Development														
4. National Disaster Management Centre														
5. Local Government Support and Intervention Management														
6. Community Work Programme														
Programme	Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)									
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13	2015/16
Programme 1	201.4	197.5	204.8	248.8	247.9	237.7	252.1	238.5	236.4	236.5	228.6	228.6	96.7%	99.5%
Programme 2	46.1	49.3	29.4	30.3	31.1	30.0	33.1	30.0	30.0	76.2	76.2	76.2	89.2%	88.8%
Programme 3	52 188.3	52 318.9	51 539.9	55 441.5	55 609.7	53 843.0	59 729.4	59 966.4	57 049.7	65 898.4	67 407.6	66 209.2	98.0%	97.2%
Programme 4	555.2	555.4	114.3	585.1	694.4	423.9	650.8	831.4	471.9	606.8	606.8	506.8	63.3%	56.4%
Programme 5	284.7	285.2	256.0	272.1	145.3	145.3	289.5	129.7	125.8	120.4	120.4	118.7	66.8%	94.9%
Programme 6	1 439.9	1 448.9	1 289.9	1 675.0	1 730.6	1 721.7	2 257.8	2 257.8	1 650.0	2 375.9	2 375.9	2 275.9	89.5%	88.8%
Total	54 715.6	54 855.2	53 434.4	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	59 563.7	69 314.2	70 815.5	69 415.5	97.3%	96.5%
Change to 2015 Budget estimate										1 501.3				
Economic classification														
Current payments	2 319.0	2 334.5	2 083.9	2 660.2	2 718.2	2 354.2	2 942.9	2 941.9	2 318.7	3 061.0	3 063.9	2 963.9	88.5%	87.9%
Compensation of employees	255.4	290.4	266.4	277.7	311.2	226.8	256.6	246.6	234.4	271.8	271.8	271.8	94.2%	89.2%
Goods and services	2 063.6	2 044.1	1 817.6	2 382.5	2 407.0	2 127.4	2 686.3	2 695.4	2 084.3	2 789.2	2 792.1	2 692.1	87.9%	87.8%
of which:														
Administrative fees	0.1	0.1	0.1	0.1	0.5	0.2	0.1	0.1	6.0	0.2	0.2	0.2	1 384.6%	764.3%
Advertising	5.8	7.8	4.4	19.4	2.9	3.8	6.5	3.3	2.3	4.2	4.2	4.2	40.9%	80.7%
Minor Assets	1.7	2.9	3.0	1.8	1.1	1.1	1.9	3.7	2.9	2.0	2.0	2.0	120.9%	92.6%
Audit costs: External	6.8	6.8	5.5	6.7	8.8	7.6	7.4	6.9	6.9	7.6	6.6	6.6	93.4%	91.5%
Bursaries: Employees	1.1	3.1	3.0	3.1	0.5	1.7	1.2	0.9	0.9	1.3	1.1	1.1	100.1%	119.4%
Catering: Departmental activities	6.7	6.6	7.1	7.7	6.2	5.7	6.1	3.8	3.1	5.5	5.5	5.5	83.0%	97.2%
Communication	16.4	16.4	10.9	25.3	9.4	9.6	10.8	7.1	6.6	12.4	12.1	12.1	60.5%	87.3%
Computer services	60.6	38.6	17.1	57.5	21.9	21.5	69.3	66.8	18.0	70.7	72.6	72.6	50.1%	64.7%
Consultants: Business and advisory services	445.7	432.5	941.9	513.7	605.0	603.2	333.4	352.2	492.0	324.5	333.3	333.3	146.6%	137.6%
Infrastructure and planning services	1.1	1.1	-	1.2	-	0.6	-	0.5	0.5	0.6	0.6	0.6	57.9%	75.5%
Legal services	4.9	4.9	7.7	-	3.4	6.6	5.0	11.1	11.4	5.2	4.1	4.1	197.3%	126.8%
Science and technological services	-	-	-	5.4	-	-	-	-	-	-	-	-	-	-
Contractors	1 009.7	1 023.6	713.4	1 166.5	1 639.2	1 356.3	1 667.1	1 660.3	1 360.3	1 774.2	1 774.1	1 774.1	92.6%	85.4%
Agency and support/outsourced services	8.0	5.7	0.6	7.9	0.7	1.6	8.3	0.9	0.9	4.6	5.8	5.8	31.1%	68.1%
Entertainment	1.3	1.3	0.0	0.2	-	-	0.1	-	-	0.1	0.1	0.1	4.3%	5.0%
Fleet services (including government motor transport)	-	-	-	-	1.6	1.6	-	2.0	2.0	0.1	0.1	0.1	2 486.4%	99.9%
Inventory: Clothing material and accessories	0.0	0.0	-	-	-	-	-	-	22.2	-	-	-	184 616.7%	184 616.7%
Inventory: Farming supplies	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	350.0	350.0	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1%	0.1%
Inventory: Learner and teacher support material	0.0	0.0	-	0.0	0.4	0.3	0.0	-	-	0.0	0.0	0.0	955.6%	87.5%
Inventory: Materials and supplies	-	-	0.0	407.9	0.1	0.1	450.0	460.1	27.3	456.0	456.0	356.0	29.2%	41.9%
Inventory: Other supplies	-	-	0.8	1.1	-	0.0	1.2	0.3	-	1.2	1.2	1.2	56.8%	134.6%
Consumable supplies	0.6	0.6	-	-	0.3	0.3	-	4.5	4.6	-	-	-	851.9%	90.1%
Consumables: Stationery, printing and office supplies	20.5	20.5	10.0	20.3	6.4	6.1	19.7	15.5	6.0	18.2	17.9	17.9	50.9%	66.4%

Table 4.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Operating leases	14.8	13.8	21.4	9.7	38.7	1.0	7.9	6.3	4.7	7.2	6.8	6.8	85.8%	51.7%
Rental and hiring	-	1.0	-	39.2	0.0	0.0	-	-	-	-	-	-	0.0%	1.7%
Property payments	37.3	37.3	9.0	0.4	9.1	46.6	41.3	45.6	45.6	44.8	40.0	40.0	114.0%	106.9%
Transport provided: Departmental activity	0.3	0.3	0.4	71.2	1.8	-	0.3	-	-	0.3	0.3	0.3	1.0%	30.8%
Travel and subsistence	54.2	53.2	51.9	4.0	34.8	38.5	36.9	37.9	29.4	38.2	37.2	37.2	117.8%	96.3%
Training and development	3.5	3.5	1.7	2.2	3.5	3.6	3.2	1.1	26.5	3.0	3.0	3.0	290.2%	311.4%
Operating payments	2.3	2.3	2.4	10.1	2.2	2.0	1.6	1.3	1.5	1.3	1.3	1.3	47.3%	101.9%
Venues and facilities	10.3	10.3	5.2	-	8.4	7.8	6.9	3.2	2.6	5.9	5.9	5.9	93.0%	77.4%
Transfers and subsidies	52 377.1	52 507.3	51 331.7	55 580.3	55 729.4	54 032.2	60 261.2	60 503.2	57 226.8	66 245.3	67 744.9	66 444.9	97.7%	96.9%
Provinces and municipalities	52 265.1	52 265.1	51 092.7	55 468.5	55 602.6	53 571.4	59 772.3	60 009.5	56 735.1	65 754.8	67 253.6	65 953.6	97.5%	96.7%
Departmental agencies and accounts	101.3	101.3	101.3	100.7	100.7	441.6	477.2	481.8	481.9	478.5	484.9	484.9	130.4%	129.2%
Foreign governments and international organisations	-	-	0.3	-	-	0.4	-	0.3	0.2	-	-	-	-	352.7%
Non-profit institutions	10.6	8.0	3.7	11.1	11.1	13.9	11.7	11.7	9.3	12.1	6.3	6.3	72.8%	89.4%
Households	-	132.8	133.7	-	15.0	4.8	-	-	0.4	-	0.1	0.1	-	94.0%
Payments for capital assets	19.6	13.3	17.8	12.2	10.6	14.8	8.7	8.7	17.9	7.8	6.5	6.5	118.2%	145.7%
Machinery and equipment	18.6	13.3	17.7	11.4	9.8	14.8	7.7	7.7	17.8	7.8	6.5	6.5	124.8%	151.9%
Heritage assets	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-
Software and other intangible assets	1.0	-	0.1	0.8	0.8	-	1.0	1.0	-	-	-	-	4.1%	6.5%
Payments for financial assets	-	0.1	0.9	-	0.8	0.4	-	-	0.3	-	0.1	0.1	-	171.6%
Total	54 715.6	54 855.2	53 434.4	58 252.7	58 458.9	56 401.6	63 212.7	63 453.9	59 563.7	69 314.2	70 815.5	69 415.5	97.3%	96.5%

Expenditure estimates

Table 4.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
				2015/16	2016/17	2017/18		
R million								
Programme 1	228.6	5.0%	0.4%	266.5	258.3	270.3	5.7%	0.3%
Programme 2	76.2	15.6%	0.1%	332.2	146.2	88.9	5.3%	0.2%
Programme 3	66 209.2	8.2%	95.7%	68 122.2	73 707.1	79 318.1	6.2%	94.1%
Programme 4	506.8	-3.0%	0.6%	598.9	521.8	547.2	2.6%	0.7%
Programme 5	118.7	-25.3%	0.3%	483.2	170.3	168.8	12.4%	0.3%
Programme 6	2 275.9	16.2%	2.9%	3 191.2	3 753.4	3 865.2	19.3%	4.3%
Total	69 415.5	8.2%	100.0%	72 994.0	78 557.2	84 258.5	6.7%	100.0%
Change to 2015 Budget estimate				(466.6)	798.5	1 989.8		

Table 4.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Current payments	2 963.9	8.3%	4.1%	3 801.7	4 394.7	4 524.3	15.1%	5.1%
Compensation of employees	271.8	-2.2%	0.4%	320.5	342.7	343.3	8.1%	0.4%
Goods and services	2 692.1	9.6%	3.7%	3 481.2	4 052.0	4 181.0	15.8%	4.7%
of which:								
Administrative fees	0.2	59.8%	0.0%	0.1	0.1	0.1	-24.1%	0.0%
Advertising	4.2	-18.9%	0.0%	8.1	8.7	9.6	32.3%	0.0%
Minor assets	2.0	-12.3%	0.0%	2.0	2.1	2.2	3.7%	0.0%
Audit costs: External	6.6	-0.8%	0.0%	10.1	8.2	9.2	11.6%	0.0%
Bursaries: Employees	1.1	-29.6%	0.0%	3.8	3.7	2.0	22.8%	0.0%
Catering: Departmental activities	5.5	-5.8%	0.0%	11.6	12.3	13.5	34.6%	0.0%
Communication	12.1	-9.6%	0.0%	15.3	14.0	15.7	9.0%	0.0%
Computer services	72.6	23.5%	0.1%	80.7	77.4	79.8	3.2%	0.1%
Consultants: Business and advisory services	333.3	-8.3%	1.0%	189.3	216.5	236.0	-10.9%	0.3%
Infrastructure and planning services	0.6	-19.8%	0.0%	-	-	-	-100.0%	0.0%
Legal services	4.1	-5.3%	0.0%	4.5	4.6	4.1	0.1%	0.0%
Contractors	1 774.1	20.1%	2.2%	2 454.7	2 819.6	2 870.3	17.4%	3.2%
Agency and support/outourced services	5.8	0.5%	0.0%	1.4	1.4	1.6	-35.2%	0.0%
Entertainment	0.1	-62.6%	0.0%	0.0	0.0	0.0	-10.8%	0.0%
Fleet services (including government motor transport)	0.1	-	0.0%	1.4	1.6	1.9	135.5%	0.0%
Inventory: Fuel, oil and gas	0.1	-93.8%	0.0%	0.1	0.1	0.1	4.2%	0.0%
Inventory: Learner and teacher support material	0.0	-45.0%	0.0%	0.5	0.5	0.6	560.4%	0.0%
Inventory: Materials and supplies	356.0	-	0.2%	570.6	750.3	799.6	31.0%	0.8%
Inventory: Other supplies	1.2	-	0.0%	0.7	0.8	0.8	-11.4%	0.0%
Consumable supplies	-	-100.0%	0.0%	3.6	3.9	4.4	-	0.0%
Consumables: Stationery, printing and office supplies	17.9	-4.4%	0.0%	21.7	25.0	19.7	3.3%	0.0%
Operating leases	6.8	-21.0%	0.0%	2.8	3.0	3.1	-23.0%	0.0%
Rental and hiring	-	-100.0%	0.0%	0.0	0.1	0.1	-	0.0%
Property payments	40.0	2.4%	0.1%	40.7	45.0	46.6	5.2%	0.1%
Transport provided: Departmental activity	0.3	2.5%	0.0%	0.1	0.3	0.3	3.4%	0.0%
Travel and subsistence	37.2	-11.3%	0.1%	47.2	42.0	48.1	8.9%	0.1%
Training and development	3.0	-5.2%	0.0%	2.5	3.8	3.8	8.2%	0.0%
Operating payments	1.3	-16.0%	0.0%	1.6	1.8	1.8	11.0%	0.0%
Venues and facilities	5.9	-17.1%	0.0%	6.0	5.3	5.8	-0.4%	0.0%
Transfers and subsidies	66 444.9	8.2%	95.9%	69 185.0	74 155.0	79 726.4	6.3%	94.9%
Provinces and municipalities	65 953.6	8.1%	95.2%	68 301.7	73 539.1	79 126.8	6.3%	94.0%
Departmental agencies and accounts	484.9	68.5%	0.6%	567.4	609.0	592.2	6.9%	0.7%
Non-profit institutions	6.3	-7.8%	0.0%	6.6	7.0	7.4	5.4%	0.0%
Households	0.1	-91.3%	0.1%	309.3	-	-	-100.0%	0.1%
Payments for capital assets	6.5	-21.2%	0.0%	7.3	7.6	7.8	6.3%	0.0%
Machinery and equipment	6.5	-21.2%	0.0%	7.3	7.6	7.8	6.3%	0.0%
Payments for financial assets	0.1	4.4%	0.0%	-	-	-	-100.0%	0.0%
Total	69 415.5	8.2%	100.0%	72 994.0	78 557.2	84 258.5	6.7%	100.0%

Personnel information

Table 4.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment															Average growth rate (%)	Salary level/Total: Average (%)
		Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost		2018/19			
Cooperative Governance And Traditional Affairs		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19	
Salary level	436	436	234.4	0.5	429	271.8	0.6	616	350.5	0.6	616	373.7	0.6	616	393.4	0.6	12.8%	100.0%
1 – 6	119	119	31.3	0.3	119	34.0	0.3	146	34.7	0.2	146	37.0	0.3	146	39.0	0.3	7.1%	24.5%
7 – 10	86	85	32.6	0.4	85	36.0	0.4	174	72.6	0.4	174	77.6	0.4	174	81.9	0.5	27.0%	26.7%
11 – 12	92	93	43.0	0.5	86	47.7	0.6	147	99.2	0.7	147	105.2	0.7	147	111.1	0.8	19.6%	23.1%
13 – 16	139	139	127.6	0.9	139	154.1	1.1	149	143.9	1.0	149	153.9	1.0	149	161.4	1.1	2.3%	25.7%
Programme	436	436	234.4	0.5	429	271.8	0.6	616	350.5	0.6	616	373.7	0.6	616	393.4	0.6	12.8%	100.0%
Programme 1	227	227	110.3	0.5	220	114.9	0.5	248	129.5	0.5	248	137.0	0.6	248	145.0	0.6	4.1%	42.3%
Programme 2	30	30	20.0	0.7	30	23.0	0.8	41	23.3	0.6	41	24.7	0.6	41	26.3	0.6	11.0%	6.7%
Programme 3	70	70	33.2	0.5	70	39.6	0.6	81	44.0	0.5	81	46.6	0.6	81	49.1	0.6	5.0%	13.7%
Programme 4	33	33	18.7	0.6	33	21.5	0.7	42	27.3	0.7	42	28.9	0.7	42	30.6	0.7	8.4%	7.0%
Programme 5	57	57	30.0	0.5	57	36.1	0.6	97	62.8	0.6	97	66.5	0.7	97	70.4	0.7	19.4%	15.3%
Programme 6	19	19	22.3	1.2	19	36.7	1.9	107	63.5	0.6	107	70.0	0.7	107	72.1	0.7	77.9%	14.9%
Reduction	-	-	-	-	-	-	-	-	-	-	-	(31.0)	-	-	(50.1)	-	-	-
Total	436	436	234.4	0.5	429	271.8	0.6	616	350.5	0.6	616	342.7	-	616	343.3	-	-	-

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

2. The department's compensation of employees budget has been reduced by R81.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 4.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	984	1 220	1 916	1 148	1 148	5.3%	100.0%	1 165	1 261	1 332	5.1%	100.0%
Sales of goods and services produced by department	261	174	173	351	351	10.4%	18.2%	305	355	375	2.2%	28.3%
Sales by market establishments	163	94	173	351	351	29.1%	14.8%	300	350	370	1.8%	27.9%
of which:												
Rental parking: Covered and open	113	94	173	351	351	45.9%	13.9%	300	350	370	1.8%	27.9%
Commission on insurance and gamishee	48	-	-	-	-	-100.0%	0.9%	-	-	-	-	-
Sale of Assets <R5 000	1	-	-	-	-	-100.0%	-	-	-	-	-	-
Reimbursement of goods issued	1	-	-	-	-	-100.0%	-	-	-	-	-	-
Other sales	98	80	-	-	-	-100.0%	3.4%	5	5	5	-	0.3%
of which:												
Capital equipment	95	80	-	-	-	-100.0%	3.3%	-	-	-	-	-
Replacement of security cards	3	-	-	-	-	-100.0%	0.1%	5	5	5	-	0.3%
Sales of scrap, waste, arms and other used current goods	1	1	1	-	-	-100.0%	0.1%	5	6	7	-	0.4%
of which:												
Sales of paper	1	1	1	-	-	-100.0%	0.1%	5	6	7	-	0.4%
Transfers received	-	-	-	244	244	-	4.6%	-	-	-	-100.0%	5.0%
Interest, dividends and rent on land	-	-	1	13	13	-	0.3%	15	10	10	-8.4%	1.0%
Interest	-	-	1	13	13	-	0.3%	15	10	10	-8.4%	1.0%
Sales of capital assets	-	16	53	-	-	-	1.3%	40	40	40	-	2.4%
Transactions in financial assets and liabilities	722	1 029	1 688	540	540	-9.2%	75.5%	800	850	900	18.6%	63.0%
Total	984	1 220	1 916	1 148	1 148	5.3%	100.0%	1 165	1 261	1 332	5.1%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 4.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Ministry	35 036	36 756	32 913	27 752	-7.5%	14.6%	26 694	28 010	29 440	2.0%	10.9%
Management	12 828	15 741	16 532	20 062	16.1%	7.2%	14 214	14 912	15 700	-7.8%	6.3%
Corporate Services	100 886	104 979	109 801	103 324	0.8%	46.2%	142 022	125 022	130 702	8.2%	49.0%
Financial Services	24 521	27 030	25 276	29 983	6.9%	11.8%	34 574	36 793	38 861	9.0%	13.7%
Internal Audit and Risk Management	8 283	8 743	8 600	11 857	12.7%	4.1%	11 475	11 977	12 548	1.9%	4.7%
Office Accommodation	23 248	44 499	43 307	35 598	15.3%	16.2%	37 485	41 581	43 022	6.5%	15.4%
Total	204 802	237 748	236 429	228 576	3.7%	100.0%	266 464	258 295	270 273	5.7%	100.0%
Change to 2015 Budget estimate				(7 881)			9 691	(12 733)	(16 474)		
Economic classification											
Current payments	190 010	226 888	224 235	224 560	5.7%	95.4%	261 364	253 046	264 842	5.7%	98.1%
Compensation of employees	97 402	107 432	110 287	114 888	5.7%	47.4%	119 906	126 770	134 073	5.3%	48.4%
Goods and services	92 608	119 456	113 948	109 672	5.8%	48.0%	141 458	126 276	130 769	6.0%	49.6%
of which:											
Administrative fees	73	60	46	188	37.1%	-	81	84	89	-22.1%	-
Advertising	1 885	2 856	1 497	2 268	6.4%	0.9%	4 794	4 902	5 161	31.5%	1.7%
Minor assets	1 737	861	1 310	275	-45.9%	0.5%	1 121	1 205	1 275	66.7%	0.4%
Audit costs: External	5 552	7 571	6 872	6 612	6.0%	2.9%	7 082	8 170	9 199	11.6%	3.0%
Bursaries: Employees	1 183	1 196	937	1 086	-2.8%	0.5%	1 801	1 903	2 013	22.8%	0.7%
Catering: Departmental activities	1 801	3 192	1 070	1 547	-4.9%	0.8%	4 027	4 105	4 669	44.5%	1.4%
Communication	6 440	7 632	4 117	9 079	12.1%	3.0%	11 251	9 631	10 229	4.1%	3.9%
Computer services	14 162	14 300	14 292	12 057	-5.2%	6.0%	12 793	11 968	11 299	-2.1%	4.7%
Consultants: Business and advisory services	4 048	7 082	5 407	2 850	-11.0%	2.1%	30 365	10 676	11 307	58.3%	5.4%
Legal services	3 455	3 367	6 156	4 135	6.2%	1.9%	2 776	2 928	3 097	-9.2%	1.3%
Contractors	2 804	250	3 849	2 845	0.5%	1.1%	1 290	1 083	1 216	-24.7%	0.6%
Agency and support/outsourced services	56	899	268	4 795	340.8%	0.7%	1 358	1 439	1 577	-31.0%	0.9%
Entertainment	1	-	-	40	242.0%	-	15	12	17	-24.8%	-
Fleet services (including government motor transport)	-	1 449	1 852	137	-	0.4%	853	1 001	1 045	96.8%	0.3%
Inventory: Fuel, oil and gas	3	7	115	84	203.7%	-	86	90	95	4.2%	-
Inventory: Learner and teacher support material	-	342	-	2	-	-	515	544	576	560.4%	0.2%
Inventory: Materials and supplies	28	14	9	20	-10.6%	-	19	20	21	1.6%	-
Inventory: Medical supplies	17	-	-	8	-22.2%	-	-	-	-	-100.0%	-
Inventory: Other supplies	624	5	-	300	-21.7%	0.1%	30	33	36	-50.7%	-
Consumable supplies	29	206	1 981	-	-100.0%	0.2%	353	390	412	-	0.1%
Consumables: Stationery, printing and office supplies	4 333	2 701	3 062	3 710	-5.0%	1.5%	4 252	4 606	4 569	7.2%	1.7%
Operating leases	2 156	677	655	3 172	13.7%	0.7%	366	500	440	-48.2%	0.4%
Rental and hiring	-	17	-	-	-	-	26	27	29	-	-
Property payments	22 042	46 621	45 597	40 035	22.0%	17.0%	40 681	44 958	46 595	5.2%	16.8%
Transport provided: Departmental activity	4 828	-	-	295	-60.6%	0.6%	100	308	326	3.4%	0.1%
Travel and subsistence	12 474	14 619	12 329	9 903	-7.4%	5.4%	10 907	11 019	10 271	1.2%	4.1%
Training and development	562	742	371	1 737	45.7%	0.4%	1 163	1 126	1 455	-5.7%	0.5%
Operating payments	1 207	899	938	958	-7.4%	0.4%	1 165	1 243	1 316	11.2%	0.5%
Venues and facilities	1 108	1 891	1 218	1 534	11.5%	0.6%	2 188	2 305	2 435	16.7%	0.8%
Transfers and subsidies	1 070	993	999	164	-46.5%	0.4%	100	103	106	-13.5%	-
Provinces and municipalities	20	19	24	100	71.0%	-	100	103	106	2.0%	-
Departmental agencies and accounts	-	-	735	-	-	0.1%	-	-	-	-	-
Households	1 050	974	240	64	-60.6%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	12 808	9 449	10 932	3 752	-33.6%	4.1%	5 000	5 146	5 325	12.4%	1.9%
Machinery and equipment	12 808	9 449	10 932	3 752	-33.6%	4.1%	5 000	5 146	5 325	12.4%	1.9%
Payments for financial assets	914	418	263	100	-52.2%	0.2%	-	-	-	-100.0%	-
Total	204 802	237 748	236 429	228 576	3.7%	100.0%	266 464	258 295	270 273	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.4%	0.3%	-	-	0.4%	0.3%	0.3%	-	-

Table 4.6 Administration expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
		2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
Public Service Sector Education and Training Authority		-	-	735	-	-	0.1%	-	-	-	-	-
		-	-	735	-	-	0.1%	-	-	-	-	-
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current												
Municipal services		20	19	24	100	71.0%	-	100	103	106	2.0%	-
Vehicle licences		-	-	-	-	-	-	-	-	-	-	-
		20	19	24	100	71.0%	-	100	103	106	2.0%	-
Households												
Social benefits												
Current												
Employee social benefits		1 050	974	240	64	-60.6%	0.3%	-	-	-	-100.0%	-
		1 050	974	240	64	-60.6%	0.3%	-	-	-	-100.0%	-

Personnel information

Table 4.7 Administration personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Administration																			
Salary level																			
	227	-	227	110.3	0.5	220	114.9	0.5	248	129.5	0.5	248	137.0	0.6	248	145.0	0.6	4.1%	100.0%
1 – 6	86	-	86	24.5	0.3	86	26.0	0.3	81	20.0	0.2	81	21.1	0.3	81	22.4	0.3	-2.0%	34.1%
7 – 10	46	-	46	19.4	0.4	46	20.4	0.4	75	28.7	0.4	75	30.3	0.4	75	32.1	0.4	17.7%	28.1%
11 – 12	51	-	51	24.0	0.5	44	24.3	0.6	43	33.5	0.8	43	35.4	0.8	43	37.4	0.9	-0.8%	17.9%
13 – 16	44	-	44	42.4	1.0	44	44.2	1.0	49	47.4	1.0	49	50.2	1.0	49	53.1	1.1	3.7%	19.8%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(10.2)	-	-	(10.9)	-	-	-
Total	227	-	227	110.3	0.5	220	114.9	0.5	248	129.5	0.5	-	126.8	-	-	134.1	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R21.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 2: Regional and Urban Development and Legislative Support

Programme purpose

Provide policy analysis and development in order to transform local government and improve cooperative governance.

Objective

- Facilitate the restructuring of the existing municipal spatial configuration through integrated development planning by supporting district municipalities in building geographic information systems capabilities by March 2019.

Subprogrammes

- Management: Regional and Urban Development and Legislative Support* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back to Basics approach.
- Local Government Legislative Support and Institutional Establishment* drafts and amends primary and secondary legislation administered by the department, and provides legal opinions to the department's stakeholders on the interpretation of legislation and matters impacting on the mandate of the department.
- Urban Development Planning* monitors the implementation of urban development policies such as the integrated urban development framework and local economic development plans. This subprogramme also

supports municipalities to facilitate and implement integrated planning and spatial contracts in key restructuring and priority regions, and to promote economic development in partnership with the private sector.

- *Spatial Planning: Districts and Regions* facilitates the implementation of planning frameworks to promote integrated development across government and build geographic information system capacity in district and local municipalities to enhance evidence based decision making.
- *Intergovernmental Policy and Practice* reviews, clarifies and strengthens the policy and institutional environment for the assignment and management of municipal powers and functions; and strengthen intergovernmental coordination amongst sectors, provinces and local government.
- *Municipal Demarcation Transition Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and government systems.

Expenditure trends and estimates

Table 4.8 Regional and Urban Development and Legislative Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Management: Regional and Urban Development and Legislative Support	3 164	3 038	3 345	6 122	24.6%	9.5%	3 096	3 247	3 414	-17.7%	2.5%
Local Government Legislative Support and Institutional Establishment	5 760	5 837	6 753	5 630	-0.8%	14.5%	3 409	3 546	6 440	4.6%	3.0%
Urban Development Planning	8 138	6 579	7 013	8 823	2.7%	18.4%	7 330	6 034	6 114	-11.5%	4.4%
Spatial Planning: Districts and Regions	9 445	8 017	6 527	8 846	-2.2%	19.8%	11 943	12 544	9 369	1.9%	6.6%
Intergovernmental Policy and Practice	2 855	6 577	6 399	7 781	39.7%	14.3%	8 976	9 022	10 686	11.2%	5.7%
Municipal Demarcation Transition Grant	-	-	-	39 000	-	23.5%	297 422	111 856	52 900	10.7%	77.9%
Total	29 362	30 048	30 037	76 202	37.4%	100.0%	332 176	146 249	88 923	5.3%	100.0%
Change to 2015 Budget estimate				39 000			293 135	107 993	48 447		
Economic classification	29 219	29 994	29 952	37 202	8.4%	76.3%	34 754	34 393	36 023	-1.1%	22.1%
Current payments											
Compensation of employees	22 188	17 944	19 975	22 958	1.1%	50.1%	18 225	19 355	20 555	-3.6%	12.6%
Goods and services	7 031	12 050	9 977	14 244	26.5%	26.1%	16 529	15 038	15 468	2.8%	9.5%
of which:											
Administrative fees	-	101	57	20	-	0.1%	-	1	1	-63.2%	-
Advertising	28	1	-	125	64.7%	0.1%	161	174	167	10.1%	0.1%
Minor assets	79	21	58	121	15.3%	0.2%	140	157	167	11.3%	0.1%
Catering: Departmental activities	136	285	343	861	85.0%	1.0%	851	909	947	3.2%	0.6%
Communication	273	441	633	522	24.1%	1.1%	622	726	1 357	37.5%	0.5%
Computer services	39	51	388	1 030	197.8%	0.9%	372	1 397	793	-8.3%	0.6%
Consultants: Business and advisory services	1 516	4 100	4 668	2 908	24.3%	8.0%	6 523	5 173	3 782	9.2%	2.9%
Contractors	71	22	5	52	-9.9%	0.1%	-	3	7	-48.7%	-
Agency and support/outsourced services	-	-	-	365	-	0.2%	-	-	-	-100.0%	0.1%
Entertainment	-	-	-	16	-	-	19	18	19	5.9%	-
Fleet services (including government motor transport)	-	19	-	-	-	-	22	32	34	-	-
Inventory: Fuel, oil and gas	-	-	3	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	1	-	-	-	-	-	-	-	-
Inventory: Other supplies	39	-	-	4	-53.2%	-	4	12	13	48.1%	-
Consumable supplies	-	37	5	-	-	-	22	274	290	-	0.1%
Consumables: Stationery, printing and office supplies	2 163	1 205	804	1 262	-16.4%	3.3%	1 423	1 368	1 559	7.3%	0.9%
Operating leases	83	123	80	77	-2.5%	0.2%	93	75	79	0.9%	0.1%
Travel and subsistence	1 760	4 999	2 540	6 077	51.1%	9.3%	5 550	3 691	5 509	-3.2%	3.2%
Training and development	98	123	35	179	22.2%	0.3%	257	370	342	24.1%	0.2%
Operating payments	599	225	66	289	-21.6%	0.7%	149	196	208	-10.4%	0.1%
Venues and facilities	147	297	291	336	31.7%	0.6%	321	462	194	-16.7%	0.2%
Transfers and subsidies	-	-	-	39 000	-	23.5%	297 422	111 856	52 900	10.7%	77.9%
Provinces and municipalities	-	-	-	39 000	-	23.5%	297 422	111 856	52 900	10.7%	77.9%
Payments for capital assets	143	54	85	-	-100.0%	0.2%	-	-	-	-	-
Machinery and equipment	143	54	85	-	-100.0%	0.2%	-	-	-	-	-
Total	29 362	30 048	30 037	76 202	37.4%	100.0%	332 176	146 249	88 923	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.1%	-	-	0.5%	0.2%	0.1%	-	-

Table 4.8 Regional and Urban Development and Legislative Support expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2016/17				2017/18	2018/19			
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	-	-	39 000	-	23.5%	297 422	111 856	52 900	10.7%	77.9%
Municipal demarcation transition grant	-	-	-	39 000	-	23.5%	297 422	111 856	52 900	10.7%	77.9%

Personnel information

Table 4.9 Regional and Urban Development and Legislative Support personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
Regional and Urban Development and Legislative Support		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	30	-	30	20.0	0.7	30	23.0	0.8	41	23.3	0.6	41	24.7	0.6	41	26.3	0.6	11.0%	100.0%
1 - 6	5	-	5	1.2	0.2	5	1.2	0.2	10	1.6	0.2	10	1.7	0.2	10	1.8	0.2	26.0%	22.9%
7 - 10	5	-	5	1.7	0.3	5	1.9	0.4	7	2.2	0.3	7	2.3	0.3	7	2.5	0.4	11.9%	17.0%
11 - 12	2	-	2	1.3	0.7	2	1.5	0.7	9	5.8	0.6	9	6.2	0.7	9	6.6	0.7	65.1%	19.0%
13 - 16	18	-	18	15.8	0.9	18	18.3	1.0	15	13.7	0.9	15	14.5	1.0	15	15.4	1.0	-5.9%	41.2%
Reduction	-	-	-	-	-	-	-	-	-	-	-	(5.3)	-	-	(5.7)	-	-	-	-
Total	30	-	30	20.0	0.7	30	23.0	0.8	41	23.3	0.6	-	19.4	-	-	20.6	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R11 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 3: Institutional Development

Programme purpose

Build institutional resilience in the local government system by supporting system development, governance, capacity building and revenue management; and provide for the functions of the Department of Traditional Affairs.

Objectives

- Strengthen the capacity of municipalities to deliver sustainable free basic services by providing them support in updating their indigent registers by March 2019.
- Strengthen intergovernmental fiscal relations by managing the transfer of the local government equitable share, in line with the Division of Revenue Act, on an ongoing basis.
- Support municipalities' efforts to improve municipal finances and increase revenue by monitoring the implementation of the Municipal Property Rates Act (2004) on an ongoing basis.
- Strengthen the functionality of municipalities through the development and implementation of human resources and administrative systems, as per the Municipal Systems Act (2000), by March 2019.

Subprogrammes

- *Management: Institutional Development* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back to Basics programme.
- *Human Resource Management Systems* builds sound municipal institutional capabilities through the development, implementation and enforcement of an efficient and effective human resources management framework as per the Municipal Systems Act (2000).

- *Municipal Finance* provides support and technical capacity to municipalities on municipal finance policies such as audit plans, financial management, revenue enhancement strategies, tariff setting and modelling, free basic services and procurement policies.
- *Citizen Engagement* promotes local government accountability and engagement with communities implementing the citizen engagement framework.
- *Anti-Corruption and Good Governance* conducts anti-corruption campaigns that will improve ethical conduct at the local level. It also strengthens and implements preventative measures for corruption and creates a conducive environment for the expeditious resolution of corruption cases.
- *Municipal Property Rates* guides municipalities to comply with the Municipal Property Rates Act (2004) and its regulations.
- *Local Government Equitable Share* is the share of nationally raised revenue, which is payable to the local government sphere in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households, and for the funding of institutional capacity and support to weaker municipalities.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure delivery.
- *Municipal Systems Improvement Grant* assists municipalities in building in-house capacity to perform functions.
- *Department of Traditional Affairs* makes transfers to the Department of Traditional Affairs to support traditional leadership.
- *Municipal Infrastructure Support Agency* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems.

Expenditure trends and estimates

Table 4.10 Institutional Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Management: Institutional Development	4 471	9 800	15 358	20 828	67.0%	–	3 166	3 323	3 493	-44.9%	–
Human Resources Management Systems	5 855	5 386	6 504	9 637	18.1%	–	7 431	7 772	8 153	-5.4%	–
Municipal Finance	7 872	8 286	8 722	13 082	18.4%	–	34 485	32 684	31 143	33.5%	–
Citizen Engagement	5 730	4 634	6 733	6 956	6.7%	–	8 400	6 701	7 254	1.4%	–
Anti-Corruption and Good Governance	3 156	4 822	4 926	5 515	20.4%	–	7 018	7 348	5 474	-0.2%	–
Municipal Property Rates	7 425	7 525	7 754	9 532	8.7%	–	14 892	15 598	16 370	19.8%	–
Local Government Equitable Share	37 139 477	38 964 252	41 592 070	51 706 516	11.7%	73.7%	52 568 706	57 012 141	61 731 845	6.1%	77.3%
Municipal Infrastructure Grant	13 879 162	14 224 447	14 745 445	14 955 762	2.5%	25.1%	14 914 028	15 991 252	16 893 685	4.1%	21.7%
Municipal Systems Improvement Grant	230 096	240 307	252 152	251 442	3.0%	0.4%	84 349	103 249	115 116	-22.9%	0.2%
Department of Traditional Affairs	106 948	111 702	115 864	125 928	5.6%	0.2%	129 798	141 709	150 733	6.2%	0.2%
Municipal Infrastructure Support Agency	149 714	261 795	294 162	304 013	26.6%	0.4%	349 889	385 336	354 785	5.3%	0.5%
Total	51 539 906	53 842 956	57 049 690	67 409 211	9.4%	100.0%	68 122 162	73 707 113	79 318 051	5.6%	100.0%
Change to 2015				1 471 806			(1 094 100)	912 471	2 301 319		
Budget estimate											
Economic classification											
Current payments	264 106	280 211	301 714	316 922	6.3%	0.5%	159 741	176 675	187 003	-16.1%	0.3%
Compensation of employees	25 765	30 160	33 193	39 582	15.4%	0.1%	33 211	35 647	35 533	-3.5%	–
Goods and services	238 341	250 051	268 521	277 340	5.2%	0.4%	126 530	141 028	151 470	-18.3%	0.2%
of which:											
Administrative fees	–	–	–	–	–	–	1	1	1	–	–
Advertising	–	11	11	31	–	–	88	150	160	72.8%	–
Minor assets	12	90	28	460	237.2%	–	165	175	185	-26.2%	–
Catering: Departmental activities	272	242	242	730	39.0%	–	930	1 154	1 218	18.6%	–
Communication	233	279	428	492	28.3%	–	1 222	1 485	1 777	53.4%	–
Computer services	–	–	–	209	–	–	10 000	–	–	-100.0%	–
Consultants: Business and advisory services	233 095	241 938	261 217	263 742	4.2%	0.4%	91 515	109 474	122 196	-22.6%	0.2%
Infrastructure and planning services	–	569	501	569	–	–	–	–	–	-100.0%	–

Table 4.10 Institutional Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand										
Legal services	149	–	–	–	-100.0%	–	–	–	–	–	–
Contractors	10	15	52	1 207	394.2%	–	10 178	15 194	10 204	103.7%	–
Agency and support/outsourced services	–	–	–	416	–	–	–	–	–	-100.0%	–
Fleet services (including government motor transport)	–	2	5	10	–	–	517	520	821	334.6%	–
Inventory: Fuel, oil and gas	–	–	1	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	–	2	–	–	2	2	2	–	–
Inventory: Other supplies	3	–	–	32	120.1%	–	32	34	36	4.0%	–
Consumable supplies	–	7	9	–	–	–	2	3	–	–	–
Consumables: Stationery, printing and office supplies	435	525	952	1 285	43.5%	–	1 488	2 295	2 398	23.1%	–
Operating leases	23	15	16	56	34.5%	–	81	60	63	4.0%	–
Rental and hiring	–	–	–	–	–	–	–	30	32	–	–
Travel and subsistence	3 695	4 222	4 377	5 708	15.6%	–	9 119	9 418	10 865	23.9%	–
Training and development	77	1 340	447	202	37.9%	–	278	301	318	16.3%	–
Operating payments	31	16	10	52	18.8%	–	138	153	118	31.4%	–
Venues and facilities	306	780	225	2 137	91.1%	–	774	579	1 076	-20.4%	–
Transfers and subsidies	51 275 580	53 562 596	56 747 779	67 092 219	9.4%	99.5%	67 962 421	73 530 438	79 131 048	5.7%	99.7%
Provinces and municipalities	51 018 639	53 188 699	56 337 515	66 662 278	9.3%	98.9%	67 482 734	73 003 393	78 625 530	5.7%	99.0%
Departmental agencies and accounts	256 662	373 497	410 026	429 941	18.8%	0.6%	479 687	527 045	505 518	5.5%	0.7%
Foreign governments and international organisations	279	400	238	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	220	149	197	70	-31.7%	–	–	–	–	-100.0%	–
Machinery and equipment	220	149	197	70	-31.7%	–	–	–	–	-100.0%	–
Total	51 539 906	53 842 956	57 049 690	67 409 211	9.4%	100.0%	68 122 162	73 707 113	79 318 051	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	96.5%	95.5%	95.8%	95.2%	–	–	93.3%	93.8%	94.1%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	256 662	373 497	410 026	429 941	18.8%	0.6%	479 687	527 045	505 518	5.5%	0.7%
Department of Traditional Affairs	106 948	111 702	115 864	125 928	5.6%	0.2%	129 798	141 709	150 733	6.2%	0.2%
Municipal Infrastructure Support Agency	149 714	261 795	294 162	304 013	26.6%	0.4%	349 889	385 336	354 785	5.3%	0.5%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	37 139 477	38 964 252	41 592 070	51 706 516	11.7%	73.7%	52 568 706	57 012 141	61 731 845	6.1%	77.3%
Local government equitable share	37 139 477	38 964 252	41 592 070	51 706 516	11.7%	73.7%	52 568 706	57 012 141	61 731 845	6.1%	77.3%
Capital	13 879 162	14 224 447	14 745 445	14 955 762	2.5%	25.1%	14 914 028	15 991 252	16 893 685	4.1%	21.7%
Municipal infrastructure grant	13 879 162	14 224 447	14 745 445	14 955 762	2.5%	25.1%	14 914 028	15 991 252	16 893 685	4.1%	21.7%
Foreign governments and international organisations											
Current	279	400	238	–	-100.0%	–	–	–	–	–	–
Commonwealth Local Government Forum	279	400	238	–	-100.0%	–	–	–	–	–	–

Personnel information

Table 4.11 Institutional Development personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Institutional Development																			
Salary level	70	-	70	33.2	0.5	70	39.6	0.6	81	44.0	0.5	81	46.6	0.6	81	49.1	0.6	5.0%	100.0%
1 - 6	10	-	10	1.6	0.2	10	1.8	0.2	19	3.2	0.2	19	3.4	0.2	19	3.4	0.2	23.9%	21.4%
7 - 10	10	-	10	3.0	0.3	10	3.5	0.3	9	2.9	0.3	9	3.1	0.3	9	3.2	0.4	-3.5%	11.8%
11 - 12	32	-	32	13.3	0.4	32	16.9	0.5	27	16.3	0.6	27	17.3	0.6	27	18.3	0.7	-5.5%	36.1%
13 - 16	18	-	18	15.3	0.9	18	17.4	1.0	26	21.6	0.8	26	22.9	0.9	26	24.2	0.9	13.0%	30.7%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(10.9)	-	-	(13.6)	-	-	-
Total	70	-	70	33.2	0.5	70	39.6	0.6	81	44.0	0.5	-	35.6	-	-	35.5	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R24.5 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 4: National Disaster Management Centre

Programme purpose

Promote an integrated and coordinated system of disaster prevention, mitigation and risk management.

Objectives

- Oversee disaster management institutional systems and improve legislative compliance by enhancing the regulatory and policy frameworks related to disaster management by March 2019.
- Improve and strengthen the system of disaster management for all common disasters such as drought, floods and fire services by raising public awareness about the impact of disasters and the importance of disaster management in all provinces, and developing and implementing a monitoring and evaluation framework by March 2019.

Subprogrammes

- *Management: National Disaster Management Centre* provides strategic leadership to the programme.
- *Disaster Risk Reduction, Capacity Building and Intervention* develops and implements disaster management operational systems and coordinates disaster management capacity building and strategic research across all three spheres of government. The subprogramme also provides for the allocation of disaster response, relief and rehabilitation funding when there has been a disaster.
- *Legislation and Policy Management* develops disaster management policies and legislative frameworks derived from the Disaster Management Act (2002) and the national disaster management framework, and manages the improvement of legislative compliance across sectors and spheres of government.
- *Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems* develops and implements integrated support to provinces, and a monitoring and evaluation system for disaster management and fire services.
- *Fire Services* develops fire services policies and legislative frameworks, and coordinates programmes related to the support and administration of fire services.
- *Information Technology, Intelligence and Information Management Systems* guides the development of a comprehensive information management and communication system, and establishes integrated communication links with all disaster management role players.
- *Disaster Relief Grant* is a conditional allocation that aims to provide immediate relief after disasters. Transfers are made only when a disaster has been declared.

- *Municipal Disaster Recovery Grant* is a conditional allocation to repair municipal infrastructure damaged by disasters. This grant is allocated as a second phase of disaster response to municipalities following a post-disaster cost verification process.

Expenditure trends and estimates

Table 4.12 National Disaster Management Centre expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R thousand											
Management: National Disaster Management Centre	8 188	5 507	17 899	6 010	-9.8%	2.3%	3 442	3 615	3 801	-14.2%	0.7%
Disaster Risk Reduction, Capacity Building and Intervention	10 315	10 990	41 596	12 662	7.1%	4.7%	33 333	53 950	54 410	62.6%	6.8%
Legislation and Policy Management	6 407	7 267	5 005	6 103	-1.6%	1.5%	5 788	6 056	6 352	1.3%	1.1%
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	-	-	-	2 038	-	0.1%	4 056	4 273	4 505	30.3%	0.7%
Fire Services	-	-	-	-	-	-	3 112	3 279	3 459	-	0.4%
Information Technology, Intelligence and Information Management Systems	15 386	17 411	9 820	26 749	20.2%	4.3%	27 689	26 927	26 350	-0.5%	4.7%
Disaster Relief Grant	74 030	264 344	207 434	364 343	70.1%	56.3%	381 467	423 713	448 288	7.2%	71.1%
Municipal Disaster Recovery Grant	-	118 340	190 102	188 900	-	30.8%	140 000	-	-	-100.0%	14.5%
Total	114 326	423 859	471 856	606 805	74.4%	100.0%	598 887	521 813	547 165	-3.4%	100.0%
Change to 2015 Budget estimate				-			24 195	42 002	39 525		
Economic classification											
Current payments	37 817	36 116	67 747	51 113	10.6%	11.9%	75 073	95 684	96 378	23.5%	14.0%
Compensation of employees	19 929	18 498	18 710	21 470	2.5%	4.9%	27 348	28 934	24 285	4.2%	4.5%
Goods and services of which:	17 888	17 618	49 037	29 643	18.3%	7.1%	47 725	66 750	72 093	34.5%	9.5%
Administrative fees	-	-	2	-	-	-	-	-	-	-	-
Advertising	12	120	148	55	66.1%	-	85	61	66	6.3%	-
Minor assets	191	36	1 363	229	6.2%	0.1%	249	189	192	-5.7%	-
Bursaries: Employees	1 815	500	-	-	-100.0%	0.1%	2 000	1 800	-	-	0.2%
Catering: Departmental activities	215	576	284	327	15.0%	0.1%	374	483	480	13.6%	0.1%
Communication	337	368	546	457	10.7%	0.1%	514	551	582	8.4%	0.1%
Computer services	3 683	6 111	1 075	7 928	29.1%	1.2%	8 601	7 471	7 762	-0.7%	1.4%
Consultants: Business and advisory services	6 188	3 887	35 555	13 814	30.7%	3.7%	31 366	51 196	56 997	60.4%	6.7%
Legal services	-	14	-	-	-	-	-	-	-	-	-
Contractors	116	8	407	-	-100.0%	-	-	279	295	-	-
Entertainment	-	-	-	11	-	-	11	11	11	-	-
Fleet services (including government motor transport)	-	21	73	-	-	-	-	8	7	-	-
Inventory: Materials and supplies	3	3	106	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	13	-	-	549	248.2%	-	446	489	517	-2.0%	0.1%
Consumable supplies	7	5	2 550	-	-100.0%	0.2%	4	5	5	-	-
Consumables: Stationery, printing and office supplies	793	228	158	573	-10.3%	0.1%	424	405	432	-9.0%	0.1%
Operating leases	7	-	3 955	1 699	523.8%	0.4%	395	409	429	-36.8%	0.1%
Property payments	152	-	-	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	3 163	3 148	2 030	2 976	-2.0%	0.7%	2 772	2 862	3 757	8.1%	0.5%
Training and development	358	1 143	223	592	18.3%	0.1%	249	312	329	-17.8%	0.1%
Operating payments	382	539	118	27	-58.7%	0.1%	60	66	70	37.4%	-
Venues and facilities	453	911	444	406	-3.6%	0.1%	175	153	162	-26.4%	-
Transfers and subsidies	74 243	382 684	397 536	553 243	95.3%	87.1%	521 467	423 713	448 288	-6.8%	85.6%
Provinces and municipalities	74 030	382 684	397 536	553 243	95.5%	87.1%	521 467	423 713	448 288	-6.8%	85.6%
Households	213	-	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	2 266	5 059	6 573	2 449	2.6%	1.0%	2 347	2 416	2 499	0.7%	0.4%
Machinery and equipment	2 266	5 059	6 435	2 449	2.6%	1.0%	2 347	2 416	2 499	0.7%	0.4%
Heritage assets	-	-	138	-	-	-	-	-	-	-	-
Total	114 326	423 859	471 856	606 805	74.4%	100.0%	598 887	521 813	547 165	-3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.8%	0.8%	0.9%	-	-	0.8%	0.7%	0.6%	-	-

Table 4.12 National Disaster Management Centre expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand										
Households											
Other transfers to households											
Current	29	-	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	29	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	73 180	170 714	121 483	261 149	52.8%	38.7%	269 922	300 281	317 697	6.8%	50.5%
Municipal disaster grant	73 180	170 714	121 483	261 149	52.8%	38.7%	269 922	300 281	317 697	6.8%	50.5%
Capital											
Municipal disaster recovery grant	-	118 340	190 102	188 900	-	30.8%	140 000	-	-	-100.0%	14.5%
Households											
Social benefits											
Current	184	-	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	184	-	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	850	93 630	85 951	103 194	395.2%	17.5%	111 545	123 432	130 591	8.2%	20.6%
Provincial disaster grant	850	93 630	85 951	103 194	395.2%	17.5%	111 545	123 432	130 591	8.2%	20.6%

Personnel information

Table 4.13 National Disaster Management Centre personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

National Disaster Management Centre	Number of posts estimated for 31 March 2016	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment												Number				
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19											
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost					
Salary level	33	-	33	18.7	0.6	33	21.5	0.7	42	27.3	0.7	42	28.9	0.7	42	30.6	0.7	8.4%	100.0%
1 - 6	5	-	5	0.9	0.2	5	1.1	0.2	7	1.8	0.3	7	1.9	0.3	7	2.1	0.3	11.9%	16.4%
7 - 10	10	-	10	3.8	0.4	10	4.5	0.5	10	4.2	0.4	10	4.4	0.4	10	5.1	0.5	-	25.2%
11 - 12	7	-	7	4.0	0.6	7	4.5	0.6	14	9.8	0.7	14	10.2	0.7	14	10.8	0.8	26.0%	30.8%
13 - 16	11	-	11	10.1	0.9	11	11.4	1.0	11	11.4	1.0	11	12.4	1.1	11	12.6	1.1	-	27.7%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.3)	-	-	-
Total	33	-	33	18.7	0.6	33	21.5	0.7	42	27.3	0.7	-	28.9	-	-	24.3	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R6.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 5: Local Government Support and Intervention Management

Programme purpose

Conduct performance monitoring, support and interventions in municipalities and provincial departments of cooperative governance that will drive Back-to-Basics activities.

Objectives

- Coordinate the implementation of Back to Basics interventions in dysfunctional municipalities through monitoring and reporting municipal performance on an ongoing basis by March 2017.
- Structure intergovernmental relations for national and provincial government to support, monitor, intervene and enforce performance through the promulgation of the Intergovernmental Monitoring Support and Intervention Bill by March 2019.
- Build accountability for performance in the local government system by setting and enforcing clear performance standards and quality of information by March 2019.

- Improve the department's ability to detect problems experienced in municipal performance by monitoring, analysing data and reporting on municipal performance in the Back to Basics approach that will inform the development of national policies and legislation to address detected problems by March 2017.
- Coordinate and implement sustainable infrastructure development and maintenance initiatives through the establishment of partnerships with the Municipal Infrastructure Support Agency, sector departments and other entities in order to improve the quality of service and extend infrastructure to unserved communities by March 2019.

Subprogrammes

- *Management: Local Government Support and Interventions* provides strategic leadership to the programme and ensures compliance and the achievement of departmental targets in line with the Back to Basics approach.
- *Municipal Performance Monitoring* monitors and reports on local government performance information by institutionalising monthly performance reporting by municipalities (consolidated into quarterly analysis reports) to the department, analyses Back to Basics performance information for each municipality on a monthly basis, and identifies key trends in municipal Back to Basics performance.
- *Local Government Improvement Programme* monitors, develops diagnostic assessment and supports municipalities with the development and implementation of remedial action plans.
- *Litigations and Interventions* monitors compliance with intervention policies and regulations, and develops and supports the implementation of intervention packages.
- *Municipal Infrastructure Grant Management* makes specific transfers to supplement municipal capital budgets to address infrastructure investment priorities of the poor.
- *Municipal Demarcation Board* makes transfers to the Municipal Demarcation Board to fund operational activities, including capacity assessments, ward delimitation and boundary redetermination. This subprogramme's total budget is transferred in full to the board.
- *South African Cities Network* makes transfers to the South African Cities Network to fund operational activities, including enabling cooperation between South African cities. This subprogramme's total budget is transferred in full to the network.
- *South African Local Government Association* makes transfers to the South African Local Government Association to fund operational activities, including participation in intergovernmental and oversight structures, capacity building programmes for councillors; and advocates for other interests of councillors such as their remuneration and benefits, local government research, advise and support, and knowledge sharing initiatives. This subprogramme's total budget is transferred in full to the association.
- *United Cities and Local Government of Africa* makes transfers to United Cities and Local Government of Africa to fund operational activities, enhance cooperation and knowledge sharing among local governments in Africa and improve the delivery of services to communities across the continent. This subprogramme's total budget is transferred in full to the association.

Expenditure trends and estimates

Table 4.14 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16					2015/16 - 2018/19	
Management: Local Government Support and Interventions	13 579	8 959	6 924	13 755	0.4%	6.7%	3 148	3 302	3 471	-36.8%	2.5%
Municipal Performance Monitoring	137 044	14 094	4 486	5 018	-66.8%	24.9%	322 078	13 442	11 136	30.4%	37.4%
Local Government Improvement Programme	14 939	19 414	11 500	14 561	-0.9%	9.4%	29 162	30 688	26 215	21.7%	10.7%
Litigations and Interventions	9 195	12 957	11 911	8 501	-2.6%	6.6%	13 759	12 352	8 746	1.0%	4.6%
Municipal Infrastructure Grant Management	10 509	7 791	10 523	15 615	14.1%	6.9%	20 688	21 642	25 215	17.3%	8.8%
South African Local Government Association	26 726	25 999	26 904	9 215	-29.9%	13.8%	29 500	31 300	33 100	53.1%	11.0%
Municipal Demarcation Board	40 362	42 152	44 230	45 793	4.3%	26.7%	58 220	50 631	53 568	5.4%	22.1%
South African Cities Network	3 693	11 765	6 071	6 286	19.4%	4.3%	6 619	6 950	7 353	5.4%	2.9%
United Cities and Local Government of Africa	-	2 123	3 209	-	-	0.8%	-	-	-	-	-
Total	256 047	145 254	125 758	118 744	-22.6%	100.0%	483 174	170 307	168 804	12.4%	100.0%
Change to 2015				(1 607)			364 823	39 114	30 002		
Budget estimate											
Economic classification											
Current payments	54 463	59 308	45 138	57 176	1.6%	33.5%	79 559	81 426	74 783	9.4%	31.1%
Compensation of employees	33 815	28 669	30 018	36 140	2.2%	19.9%	58 348	61 991	56 734	16.2%	22.7%
Goods and services	20 648	30 639	15 120	21 036	0.6%	13.5%	21 211	19 435	18 049	-5.0%	8.5%
of which:											
Administrative fees	3	2	-	-	-100.0%	-	-	-	-	-	-
Advertising	317	348	11	50	-46.0%	0.1%	50	52	54	2.6%	-
Minor assets	157	79	92	87	-17.9%	0.1%	87	92	98	4.0%	-
Catering: Departmental activities	556	740	785	996	21.4%	0.5%	796	855	782	-7.7%	0.4%
Communication	767	533	522	690	-3.5%	0.4%	827	664	739	2.3%	0.3%
Computer services	814	1 046	2 245	424	-19.5%	0.7%	-	-	-	-100.0%	-
Consultants: Business and advisory services	7 259	16 614	4 447	13 032	21.5%	6.4%	7 041	6 667	7 056	-18.5%	3.6%
Legal services	-	-	-	-	-	-	1 700	1 700	1 047	-	0.5%
Contractors	271	95	-	67	-37.2%	0.1%	70	74	79	5.6%	-
Agency and support/outourced services	645	711	603	208	-31.4%	0.3%	-	-	-	-100.0%	-
Entertainment	-	-	-	2	-	-	2	2	2	-	-
Fleet services (including government motor transport)	-	30	21	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	10	-	-	10	11	12	6.3%	-
Inventory: Fuel, oil and gas	-	-	2	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	9	6	-	24	38.7%	-	74	75	76	46.8%	-
Consumable supplies	10	4	-	-	-100.0%	-	-	-	-	-	-
Consumables: Stationery, printing and office supplies	686	1 157	823	1 346	25.2%	0.6%	679	837	926	-11.7%	0.4%
Operating leases	185	193	5	89	-21.6%	0.1%	94	99	105	5.7%	-
Travel and subsistence	8 132	5 552	5 245	3 056	-27.8%	3.4%	9 183	7 479	6 102	25.9%	2.7%
Training and development	95	204	15	302	47.0%	0.1%	303	416	534	20.9%	0.2%
Operating payments	160	333	127	16	-53.6%	0.1%	16	17	19	5.9%	-
Venues and facilities	581	2 992	177	637	3.1%	0.7%	279	395	418	-13.1%	0.2%
Transfers and subsidies	201 336	85 898	80 531	61 318	-32.7%	66.4%	403 615	88 881	94 021	15.3%	68.8%
Departmental agencies and accounts	67 088	68 151	71 134	55 008	-6.4%	40.5%	87 720	81 931	86 668	16.4%	33.1%
Non-profit institutions	3 693	13 888	9 280	6 286	19.4%	5.1%	6 619	6 950	7 353	5.4%	2.9%
Households	130 555	3 859	117	24	-94.3%	20.8%	309 276	-	-	-100.0%	32.9%
Payments for capital assets	248	48	89	250	0.3%	0.1%	-	-	-	-100.0%	-
Machinery and equipment	248	48	89	250	0.3%	0.1%	-	-	-	-100.0%	-
Total	256 047	145 254	125 758	118 744	-22.6%	100.0%	483 174	170 307	168 804	12.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.3%	0.2%	0.2%	-	-	0.7%	0.2%	0.2%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	67 088	68 151	71 134	55 008	-6.4%	40.5%	87 720	81 931	86 668	16.4%	33.1%
South African Local Government Association	26 726	25 999	26 904	9 215	-29.9%	13.8%	29 500	31 300	33 100	53.1%	11.0%
Municipal Demarcation Board	40 362	42 152	44 230	45 793	4.3%	26.7%	58 220	50 631	53 568	5.4%	22.1%
Households											
Social benefits											
Current	130 555	3 859	117	24	-94.3%	20.8%	309 276	-	-	-100.0%	32.9%
Employee social benefits	-	-	117	24	-	-	-	-	-	-100.0%	-
Non-returning local government councillors	130 555	3 859	-	-	-100.0%	20.8%	309 276	-	-	-	32.9%
Non-profit institutions											
Current	3 693	13 888	9 280	6 286	19.4%	5.1%	6 619	6 950	7 353	5.4%	2.9%
South African Cities Network	3 693	11 765	6 071	6 286	19.4%	4.3%	6 619	6 950	7 353	5.4%	2.9%
United Cities and Local Government of Africa	-	2 123	3 209	-	-	0.8%	-	-	-	-	-

Personnel information

Table 4.15 Local Government Support and Intervention Management personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Local Government Support and Intervention Management	Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
Salary level	57	-	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
1-6	12	-	12	2.8	0.2	12	3.4	0.3	10	1.6	0.2	10	1.7	0.2	10	1.8	0.2	-5.9%	12.1%
7-10	14	-	14	4.7	0.3	14	5.7	0.4	23	9.3	0.4	23	9.8	0.4	23	10.4	0.5	18.0%	23.9%
11-12	-	-	-	-	-	-	-	-	37	23.4	0.6	37	24.8	0.7	37	26.2	0.7	-	31.9%
13-16	31	-	31	22.5	0.7	31	27.1	0.9	27	28.5	1.1	27	30.1	1.1	27	31.8	1.2	-4.5%	32.2%
Reduction	-	-	-	-	-	-	-	-	-	(4.5)	-	-	(13.6)	-	-	(13.6)	-	-	-
Total	57	-	57	30.0	0.5	57	36.1	0.6	97	62.8	0.6	-	62.0	-	-	56.7	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R18.1 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 6: 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.

Objectives

- Provide work opportunities as an income safety net to the poor and unemployed living in the most marginalised communities by progressively increasing the number of participants in the community work programme, expanding the geographical spread to reach all municipalities and ensuring programme activity in at least 2 wards per municipality by March 2017.
- Provide and maintain an additional 267 000 work opportunities per year through effective and efficient programme management, strategic partnerships and training by March 2019.

Subprogrammes

- *Management: Community Work Programme* provides strategic management and leadership to the programme.
- *Programme Coordination* develops frameworks and standard operating procedures, facilitates their implementation and the functionality of coordination structures, and monitors the performance of implementing agents.
- *Partnerships, Norms, Standards and Innovation* ensures the effective management and coordination of partnerships and special projects for the community work programme.

Expenditure trends and estimates

Table 4.16 Community Work Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand			2015/16	2012/13 - 2015/16						
Management: Community Work Programme	1 289 922	1 721 707	1 649 965	2 375 939	22.6%	100.0%	3 140 754	3 700 603	3 809 477	17.0%	98.8%
Programme Coordination	-	-	-	-	-	-	38 532	40 367	42 613	-	0.9%
Partnerships, Norms, Standards and Innovation	-	-	-	-	-	-	11 899	12 463	13 156	-	0.3%
Total	1 289 922	1 721 707	1 649 965	2 375 939	22.6%	100.0%	3 191 185	3 753 433	3 865 246	17.6%	100.0%
Change to 2015 Budget estimate							(64 363)	(290 308)	(413 032)		

Table 4.16 Community Work Programme expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand										
Current payments	1 289 922	1 721 707	1 649 929	2 375 939	22.6%	100.0%	3 191 185	3 753 433	3 865 246	17.6%	100.0%
Compensation of employees	17 508	24 113	22 259	36 739	28.0%	1.4%	63 483	69 994	72 142	25.2%	1.8%
Goods and services	1 272 414	1 697 594	1 627 670	2 339 200	22.5%	98.6%	3 127 702	3 683 439	3 793 104	17.5%	98.2%
of which:											
Administrative fees	–	–	5 914	–	–	0.1%	–	–	–	–	–
Advertising	482	418	673	1 623	49.9%	–	2 953	3 318	4 014	35.2%	0.1%
Minor assets	–	–	30	812	–	–	254	279	296	-28.6%	–
Audit costs: External	–	–	–	–	–	–	3 000	–	–	–	–
Catering: Departmental activities	244	709	395	1 082	64.3%	–	4 624	4 769	5 429	71.2%	0.1%
Communication	203	386	386	849	61.1%	–	831	917	969	4.5%	–
Computer services	186	–	–	51 000	549.7%	0.7%	48 884	56 518	59 913	5.5%	1.6%
Consultants: Business and advisory services	559 559	329 626	180 663	35 986	-59.9%	15.7%	22 458	33 323	34 693	-1.2%	1.0%
Contractors	709 120	1 359 057	1 361 290	1 769 886	35.6%	73.9%	2 443 180	2 803 009	2 858 517	17.3%	74.9%
Fleet services (including government motor transport)	–	35	1	–	–	–	9	11	12	–	–
Inventory: Clothing material and accessories	–	–	22 154	–	–	0.3%	–	–	–	–	–
Inventory: Fuel, oil and gas	–	10	6	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	100	27 220	456 000	–	6.9%	570 555	750 232	799 543	20.6%	19.5%
Inventory: Other supplies	–	–	–	270	–	–	127	135	142	-19.3%	–
Consumable supplies	–	79	7	–	–	–	3 182	3 213	3 725	–	0.1%
Consumables: Stationery, printing and office supplies	211	266	215	9 730	258.6%	0.1%	13 475	15 496	9 850	0.4%	0.4%
Operating leases	44	–	–	1 700	238.1%	–	1 790	1 880	1 989	5.4%	0.1%
Travel and subsistence	1 770	5 910	2 927	9 450	74.8%	0.3%	9 711	7 497	11 562	7.0%	0.3%
Training and development	33	9	25 380	–	-100.0%	0.4%	286	1 315	834	–	–
Operating payments	20	19	202	–	-100.0%	–	83	97	103	–	–
Venues and facilities	542	970	207	812	14.4%	–	2 300	1 430	1 513	23.1%	–
Payments for capital assets	–	–	36	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	36	–	–	–	–	–	–	–	–
Total	1 289 922	1 721 707	1 649 965	2 375 939	22.6%	100.0%	3 191 185	3 753 433	3 865 246	17.6%	100.0%
Proportion of total programme expenditure to vote expenditure	2.4%	3.1%	2.8%	3.4%	–	–	4.4%	4.8%	4.6%	–	–

Personnel information**Table 4.17 Community Work Programme personnel numbers and cost by salary level¹**

Community Work Programme	Salary level	Number of posts estimated for 31 March 2016	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
			2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost			
	19	–	–	19	22.3	1.2	19	36.7	1.9	107	63.5	0.6	107	70.0	0.7	107	72.1	0.7	77.9%	100.0%	
1 – 6	1	–	–	1	0.3	0.3	1	0.4	0.4	19	6.5	0.3	19	7.1	0.4	19	7.4	0.4	166.8%	17.1%	
7 – 10	1	–	–	–	–	–	–	–	–	50	25.3	0.5	50	27.7	0.6	50	28.6	0.6	–	44.1%	
11 – 12	–	–	–	1	0.4	0.4	1	0.6	0.6	17	10.4	0.6	17	11.4	0.7	17	11.8	0.7	157.1%	15.3%	
13 – 16	17	–	–	17	21.5	1.3	17	35.8	2.1	21	21.3	1.0	21	23.8	1.1	21	24.3	1.2	7.3%	23.5%	
Total	19	–	–	19	22.3	1.2	19	36.7	1.9	107	63.5	0.6	–	70.0	–	–	72.1	–	–	–	–

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

2. Rand million.

Other departments within the vote

Department of Traditional Affairs

Table 4.18: Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	28.8	27.8	–	1.0	35.4	37.2
Research, Policy and Legislation	17.1	17.1	–	–	19.0	20.9
Institutional Support and Coordination	83.9	45.3	38.5	–	87.3	92.7
Total expenditure estimates	129.8	90.2	38.5	1.0	141.7	150.7
Executive authority	Minister of Cooperative Governance and Traditional Affairs					
Accounting officer	Director General of Traditional Affairs					
Website address	www.dta.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

Department purpose

Coordinate traditional affairs across government through the development of appropriate policies, norms and standards, systems, and regulatory frameworks; and promote culture, heritage and social cohesion.

Mandate

The Department of Traditional Affairs is mandated to: oversee traditional and KhoiSan leadership and communities; provide for the establishment and recognition of traditional councils by establishing a statutory framework for leadership positions within the institutions of traditional leadership; and provide for dispute resolution and the establishment of the Commission on Traditional Leadership Disputes and Claims. The department's mandate is informed by the following legislation:

- the Traditional Leadership and Governance Framework Act (2003)
- the National House of Traditional Leaders Act (2009)
- the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (2002).

Selected performance indicators

Table 4.19 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of genealogies and customary laws of succession for kingships updated and developed per year	Research, Policy and Legislation	Outcome 14: Nation building and social cohesion	– ¹	– ¹	4	4	1	1	1
Number of traditional leadership claims and dispute cases researched per year	Institutional Support and Coordination		249	300	320	320	320	320	320
Number of kings and queens consulted on the National House of Traditional Leaders programme per year	Institutional Support and Coordination		– ¹	– ¹	6	12	12	12	12
Number of consultations per year between National House of Traditional Leaders and provincial houses of traditional leaders	Institutional Support and Coordination		– ¹	– ¹	4	4	4	4	4

¹. No historical data is available as these indicators were introduced in 2014/15.

Expenditure analysis

The Back to Basics approach recognises the significant role played by institutions of traditional leadership in local governance. The role of traditional leaders in municipal affairs includes their responsibility to facilitate the participation of traditional communities in order to enhance public participation in municipal activities. In partnership with the Back to Basics programme, municipalities and traditional leadership will forge good relations, social cohesion and cooperation to fast-track service delivery to rural traditional communities over the medium term.

The Department of Traditional Affairs will focus on strengthening the technical and administrative capacity of the institutions of traditional leadership, and research and policy development. This work is linked to outcome 9 (a responsive, accountable and efficient local government system) of government's 2014-2019 medium term strategic framework

At 30 September 2015, the department had 92 filled posts. It plans to fill 22 additional posts over the MTEF period to strengthen departmental capacity, which has been thinly stretched since the department's establishment. The department receives increased funding of R21.8 million for the 2015 public sector wage agreement and for bridging a funding gap for personnel. Over the MTEF period, expenditure on compensation of employees is set to increase from R61 million in 2016/17, to R69 million in 2017/18, and R73.9 million in 2018/19.

Strengthening the technical and administrative capacity of the institutions of traditional leadership

Over the medium term, 62 per cent, or R264 million, of the department's total medium term budget of R422 million will be directed towards activities that provide support and coordination to the institutions of traditional leadership.

The term of the Commission of Traditional Leadership Disputes and Claims was 5 years and ended in 2015. But Parliament has extended the term from 2016 to 2020, so that the commission can finalise outstanding disputes and claims and deal with the 320 traditional leadership disputes and claims per year that are envisaged. R44.1 million has been allocated to the commission over the medium term in the *Commission of Traditional Leadership Disputes and Claims* subprogramme of the *Institutional Support and Coordination* programme. This budget will also enable the department to focus on developing and implementing standard procedures for resolving traditional leadership dispute and claims.

The department plans to finalise a policy on the customary practice of initiation in South Africa, with the intention of reducing the number of deaths and fatalities in initiations. R46.6 million is allocated in the *National House of Traditional Leaders* subprogramme over the MTEF period to fund extensive consultations on safe customary initiations with the national and provincial houses of traditional leadership.

The department will also focus on improving its relations with the houses of traditional leadership and the kings and queens, to enhance their roles in South African society. Among their many contributions, traditional leaders promote community solidarity, advance gender representation in the succession to traditional leadership positions and administer traditional customs.

Over the medium term, the National House of Traditional Leaders will focus on promoting socioeconomic development in traditional communities through a socioeconomic development programme for traditional councils. The programme will deal with issues such as gender parity, a non-discriminatory society, relations with municipalities, basic human rights, and the alignment of tradition with the Constitution. It will also focus on increasing the efficiency and effectiveness of traditional councils and on establishing partnerships with provincial and local houses of traditional leadership to implement the socioeconomic development programme. The National House of Traditional Leadership will also develop protocol guidelines for senior traditional leadership in 8 provinces, providing direction on procedures for engaging with the house.

Research and policy development

The department will conduct social and cultural anthropological research, particularly, over the medium term, on laws relating to genealogy and customary laws of succession for kingships or queenships. The research will inform the socioeconomic development programme. The department will also review and monitor the implementation of traditional affairs policies nationally. Furthermore, the department will implement national frameworks and strategies for the coordination of social cohesion within traditional communities. R57 million is expected to be spent on research and policy development over the period.

Expenditure trends

Table 4.20 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Research, Policy and Legislation														
3. Institutional Support and Coordination														
Programme														
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	12.7	12.7	12.7	8.4	8.4	8.4	21.5	21.5	21.5	29.3	29.3	29.3	100.0%	100.0%
Programme 2	14.7	14.7	14.7	11.4	11.4	11.4	13.9	13.9	13.9	14.9	14.9	14.9	100.0%	100.0%
Programme 3	77.7	77.7	77.7	22.2	22.2	22.2	80.4	80.4	80.4	81.7	81.7	81.7	100.0%	100.0%
Total	105.1	105.1	105.1	42.1	42.1	42.1	115.9	115.9	115.9	125.9	125.9	125.9	100.0%	100.0%
Change to 2015 Budget estimate														
Economic classification														
	70.7	70.7	70.7	42.1	42.1	42.1	80.5	80.5	80.5	85.1	85.1	85.1	100.0%	100.0%
Current payments														
Compensation of employees	41.3	41.3	41.3	42.1	42.1	42.1	49.6	49.6	49.6	54.9	54.9	54.9	100.0%	100.0%
Goods and services	29.5	29.5	29.5	-	-	-	31.0	31.0	31.0	30.2	30.2	30.2	100.0%	100.0%
of which:														
Administrative fees	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	100.0%	100.0%
Advertising	0.2	0.2	0.2	-	-	-	0.9	0.9	0.9	0.8	0.8	0.8	100.0%	100.0%
Minor assets	0.1	0.1	0.1	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	100.0%	100.0%
Audit costs: External	-	-	-	-	-	-	-	-	-	3.8	3.8	3.8	100.0%	100.0%
Bursaries: Employees	-	-	-	-	-	-	-	-	-	0.2	0.2	0.2	100.0%	100.0%
Catering: Departmental activities	0.6	0.6	0.6	-	-	-	0.3	0.3	0.3	0.2	0.2	0.2	100.0%	100.0%
Communication	2.6	2.6	2.6	-	-	-	1.4	1.4	1.4	1.9	1.9	1.9	100.0%	100.0%
Computer services	0.1	0.1	0.1	-	-	-	-	-	-	-	-	-	100.0%	100.0%
Consultants: Business and advisory services	1.2	1.2	1.2	-	-	-	1.9	1.9	1.9	0.7	0.7	0.7	100.0%	100.0%
Legal services	4.1	4.1	4.1	-	-	-	-	-	-	5.1	5.1	5.1	100.0%	100.0%
Science and technological services	-	-	-	-	-	-	4.6	4.6	4.6	-	-	-	100.0%	100.0%
Contractors	0.2	0.2	0.2	-	-	-	-	-	-	-	-	-	100.0%	100.0%
Consumable supplies	-	-	-	-	-	-	2.1	2.1	2.1	1.0	1.0	1.0	100.0%	100.0%
Consumables: Stationery, printing and office supplies	0.6	0.6	0.6	-	-	-	2.8	2.8	2.8	2.1	2.1	2.1	100.0%	100.0%
Operating leases	0.2	0.2	0.2	-	-	-	0.2	0.2	0.2	0.5	0.5	0.5	100.0%	100.0%
Property payments	0.5	0.5	0.5	-	-	-	-	-	-	-	-	-	100.0%	100.0%
Transport provided: Departmental activity	-	-	-	-	-	-	14.1	14.1	14.1	-	-	-	100.0%	100.0%
Travel and subsistence	17.3	17.3	17.3	-	-	-	1.2	1.2	1.2	11.4	11.4	11.4	100.0%	100.0%
Training and development	0.3	0.3	0.3	-	-	-	0.3	0.3	0.3	1.5	1.5	1.5	100.0%	100.0%
Operating payments	0.2	0.2	0.2	-	-	-	1.2	1.2	1.2	0.5	0.5	0.5	100.0%	100.0%
Venues and facilities	1.3	1.3	1.3	-	-	-	-	-	-	0.5	0.5	0.5	100.0%	100.0%
Transfers and subsidies	34.2	34.2	34.2	-	-	-	35.0	35.0	35.0	36.6	36.6	36.6	100.0%	100.0%
Departmental agencies and accounts	-	-	-	-	-	-	35.0	35.0	35.0	36.6	36.6	36.6	100.0%	100.0%
Non-profit institutions	34.2	34.2	34.2	-	-	-	-	-	-	-	-	-	100.0%	100.0%
Payments for capital assets	0.1	0.1	0.1	-	-	-	0.4	0.4	0.4	4.2	4.2	4.2	100.0%	100.0%
Machinery and equipment	0.1	0.1	0.1	-	-	-	0.4	0.4	0.4	4.2	4.2	4.2	100.0%	100.0%
Total	105.1	105.1	105.1	42.1	42.1	42.1	115.9	115.9	115.9	125.9	125.9	125.9	100.0%	100.0%

Expenditure estimates

Table 4.21 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Research, Policy and Legislation									
3. Institutional Support and Coordination									
Programme									
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
R million	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Programme 1	29.3	32.2%	18.5%	28.8	35.4	37.2	8.2%	23.8%	
Programme 2	14.9	0.5%	14.1%	17.1	19.0	20.9	11.9%	13.1%	
Programme 3	81.7	1.7%	67.4%	83.9	87.3	92.7	4.3%	63.0%	
Total	125.9	6.2%	100.0%	129.8	141.7	150.7	6.2%	100.0%	
Change to 2015 Budget estimate				5.0	7.8	9.0			

Table 4.21 Departmental expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Current payments	85.1	6.4%	71.6%	90.2	100.2	106.8	7.9%	69.7%
Compensation of employees	54.9	10.0%	48.3%	61.0	69.0	73.9	10.4%	47.2%
Goods and services	30.2	0.8%	23.3%	29.2	31.1	32.9	2.9%	22.5%
of which:								
Administrative fees	0.1	–	0.0%	0.1	0.1	0.1	-8.9%	0.0%
Advertising	0.8	48.3%	0.5%	–	0.8	0.9	5.2%	0.4%
Audit costs: External	3.8	–	1.0%	2.4	2.6	2.8	-9.8%	2.1%
Bursaries: Employees	0.2	–	0.0%	–	–	–	-100.0%	0.0%
Catering: Departmental activities	0.2	-29.3%	0.3%	0.3	0.3	0.3	9.2%	0.2%
Communication	1.9	-9.0%	1.5%	1.6	1.7	1.8	-3.0%	1.3%
Computer services	–	-100.0%	0.0%	–	–	–	–	–
Consultants: Business and advisory services	0.7	-16.6%	1.0%	2.4	2.4	2.6	54.2%	1.5%
Legal services	5.1	7.9%	2.4%	4.3	4.5	4.8	-2.1%	3.4%
Fleet services (including government motor transport)	–	–	–	0.7	0.9	0.9	–	0.5%
Consumable supplies	1.0	–	0.8%	0.3	0.4	0.4	-25.8%	0.4%
Consumables: Stationery, printing and office supplies	2.1	48.6%	1.4%	3.3	2.9	3.1	14.6%	2.1%
Operating leases	0.5	36.0%	0.2%	0.1	0.1	0.1	-37.6%	0.1%
Travel and subsistence	11.4	-13.0%	7.7%	12.0	12.2	12.9	4.3%	8.8%
Training and development	1.5	65.8%	0.5%	0.6	1.0	1.0	-12.1%	0.8%
Operating payments	0.5	27.6%	0.5%	0.7	0.7	0.7	16.3%	0.5%
Venues and facilities	0.5	-26.3%	0.5%	0.4	0.5	0.6	3.2%	0.4%
Transfers and subsidies	36.6	2.2%	27.2%	38.5	40.4	42.8	5.4%	28.9%
Departmental agencies and accounts	36.6	–	18.4%	–	–	–	-100.0%	6.7%
Non-profit institutions	–	-100.0%	8.8%	38.5	40.4	42.8	–	22.2%
Payments for capital assets	4.2	262.7%	1.2%	1.0	1.1	1.2	-35.3%	1.4%
Machinery and equipment	4.2	262.7%	1.2%	1.0	1.1	1.2	-35.3%	1.4%
Total	125.9	6.2%	100.0%	129.8	141.7	150.7	6.2%	100.0%

Personnel information

Table 4.22 Departmental personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2016																	Average growth rate (%)	Salary level/Total: Average (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2015/16 - 2018/19					
		2014/15			2015/16			2016/17		2017/18			2018/19						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Traditional Affairs																			
Salary level	83	2	86	49.6	0.6	92	54.9	0.6	101	61.0	0.6	109	69.0	0.6	114	73.9	0.6	7.4%	100.0%
1 – 6	21	2	28	7.1	0.3	29	5.9	0.2	31	6.8	0.2	31	7.2	0.2	34	8.4	0.2	5.4%	30.0%
7 – 10	18	–	12	3.3	0.3	14	5.3	0.4	20	7.4	0.4	24	9.9	0.4	26	10.5	0.4	22.9%	20.2%
11 – 12	13	–	15	7.3	0.5	15	8.7	0.6	16	9.8	0.6	20	13.0	0.6	20	13.5	0.7	10.1%	17.1%
13 – 16	30	–	30	30.0	1.0	33	33.3	1.0	33	34.8	1.1	33	36.7	1.1	33	39.4	1.2	–	31.7%
Other	1	–	1	1.9	1.9	1	1.8	1.8	1	2.2	2.2	1	2.2	2.2	1	2.0	2.0	–	1.0%
Programme	83	2	86	49.6	0.6	92	54.9	0.6	101	61.0	0.6	109	69.0	0.6	114	73.9	0.6	7.4%	100.0%
Programme 1	26	–	23	13.9	0.6	23	15.8	0.7	32	20.1	0.6	38	24.5	0.6	40	25.7	0.6	20.3%	32.0%
Programme 2	21	–	20	11.9	0.6	22	13.3	0.6	22	14.2	0.6	23	15.8	0.7	26	17.5	0.7	5.7%	22.4%
Programme 3	36	2	43	23.8	0.6	47	25.8	0.5	47	26.8	0.6	48	28.8	0.6	48	30.7	0.6	0.7%	45.7%
Total	83	2	86	49.6	0.6	92	54.9	0.6	101	61.0	0.6	–	69.0	–	–	73.9	–	–	–

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

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 4.23 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17		2017/18	2018/19	2015/16 - 2018/19		
	R thousand											
Ministry	–	–	4 000	6 253	–	14.3%	5 700	5 943	6 288	0.2%	18.5%	
Management of Traditional Affairs	12 687	8 424	9 732	7 794	-15.0%	53.7%	9 254	10 541	11 151	12.7%	29.7%	
Corporate Services	–	–	6 531	13 068	–	27.3%	11 529	16 485	17 183	9.6%	44.6%	
Internal Audit	–	–	1 281	2 131	–	4.7%	2 328	2 406	2 543	6.1%	7.2%	
Total	12 687	8 424	21 544	29 246	32.1%	100.0%	28 811	35 375	37 165	8.3%	100.0%	
Change to 2015 Budget estimate				29 246			28 811	35 375	37 165			
Economic classification												
Current payments	12 637	8 424	21 394	27 761	30.0%	97.7%	27 783	34 287	36 014	9.1%	96.4%	
Compensation of employees	5 520	8 424	13 923	18 380	49.3%	64.3%	19 559	24 529	25 687	11.8%	67.5%	
Goods and services	7 117	–	7 471	9 381	9.6%	33.3%	8 224	9 758	10 327	3.3%	28.9%	
of which:												
Administrative fees	–	–	–	50	–	0.1%	52	54	62	7.4%	0.2%	
Advertising	225	–	743	704	46.3%	2.3%	–	750	794	4.1%	1.7%	
Minor assets	4	–	–	3	-9.1%	–	3	3	3	–	–	
Audit costs: External	–	–	–	2 800	–	3.9%	2 438	2 627	2 779	-0.3%	8.2%	
Catering: Departmental activities	–	–	75	50	–	0.2%	50	60	64	8.6%	0.2%	
Communication	1 564	–	326	531	-30.2%	3.4%	421	444	469	-4.1%	1.4%	
Computer services	144	–	–	–	-100.0%	0.2%	–	–	–	–	–	
Consultants: Business and advisory services	27	–	1 900	700	196.0%	3.7%	744	790	836	6.1%	2.4%	
Legal services	–	–	600	–	–	0.8%	–	–	–	–	–	
Contractors	81	–	–	–	-100.0%	0.1%	–	–	–	–	–	
Entertainment	–	–	–	6	–	–	–	–	–	-100.0%	–	
Fleet services (including government motor transport)	–	–	–	–	–	–	370	391	414	–	0.9%	
Inventory: Materials and supplies	1	–	–	–	-100.0%	–	–	–	–	–	–	
Consumable supplies	–	–	180	6	–	0.3%	12	12	12	26.0%	–	
Consumables: Stationery, printing and office supplies	122	–	200	588	68.9%	1.3%	601	728	770	9.4%	2.1%	
Operating leases	172	–	216	100	-16.5%	0.7%	102	110	116	5.1%	0.3%	
Travel and subsistence	4 038	–	2 293	2 461	-15.2%	12.2%	2 920	2 980	3 152	8.6%	8.8%	
Training and development	84	–	650	1 032	130.7%	2.5%	130	396	419	-26.0%	1.5%	
Operating payments	131	–	168	350	38.8%	0.9%	381	413	437	7.7%	1.2%	
Venues and facilities	524	–	120	–	-100.0%	0.9%	–	–	–	–	–	
Payments for capital assets	50	–	150	1 485	209.7%	2.3%	1 028	1 088	1 151	-8.1%	3.6%	
Machinery and equipment	50	–	150	1 485	209.7%	2.3%	1 028	1 088	1 151	-8.1%	3.6%	
Total	12 687	8 424	21 544	29 246	32.1%	100.0%	28 811	35 375	37 165	8.3%	100.0%	
Proportion of total programme expenditure to vote expenditure	12.1%	20.0%	18.6%	23.2%	–	–	22.2%	25.0%	24.7%	–	–	

Personnel information

Table 4.24 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Administration																			
Salary level	26	–	23	13.9	0.6	23	15.8	0.7	32	20.1	0.6	38	24.5	0.6	40	25.7	0.6	20.3%	100.0%
1 – 6	6	–	5	1.4	0.3	5	1.1	0.2	7	1.7	0.2	7	1.8	0.3	7	1.9	0.3	11.9%	19.5%
7 – 10	8	–	4	0.4	0.1	4	1.3	0.3	10	3.3	0.3	13	5.2	0.4	15	5.5	0.4	55.4%	31.6%
11 – 12	2	–	4	1.1	0.3	4	2.3	0.6	5	3.1	0.6	8	5.2	0.7	8	5.4	0.7	26.0%	18.8%
13 – 16	9	–	9	9.2	1.0	9	9.3	1.0	9	9.8	1.1	9	10.0	1.1	9	10.9	1.2	–	27.1%
Other	1	–	1	1.9	1.9	1	1.8	1.8	1	2.2	2.2	1	2.2	2.2	1	2.0	2.0	–	3.0%
Total	26	–	23	13.9	0.6	23	15.8	0.7	32	20.1	0.6	38	24.5	0.6	40	25.7	0.6	–	–

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

2. Rand million.

Programme 2: Research, Policy and Legislation

Programme purpose

Develop, review, coordinate and monitor the implementation of traditional affairs policies and norms and standards, and support traditional affairs entities to restore the integrity and dignity of traditional leadership.

Objective

- Enhance the development of traditional communities on traditional issues by reviewing and monitoring policies, legislation, and norms and standards on an ongoing basis.

Subprogrammes

- Management* provides strategic oversight to the programme.
- Policy and Legislation* develops, reviews and monitors the implementation of traditional policies, legislation, frameworks, and norms and standards. This subprogramme also ensures the alignment of provincial traditional affairs legislation and policies with national policies and legislation.
- Research and Information Management* provides anthropological research for the department and entities, and research support for entities, and develops and maintains the traditional affairs information management system.

Expenditure trends and estimates

Table 4.25 Research, Policy and Legislation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Management	14 678	11 428	3 347	3 538	-37.8%	60.1%	3 994	4 395	4 650	9.5%	23.1%
Policy and Legislation	–	–	3 287	3 556	–	12.5%	4 147	5 448	5 765	17.5%	26.3%
Research and Information Management	–	–	7 239	7 811	–	27.4%	8 980	9 154	10 479	10.3%	50.6%
Total	14 678	11 428	13 873	14 905	0.5%	100.0%	17 121	18 997	20 894	11.9%	100.0%
Change to 2015 Budget estimate				14 905			17 121	18 997	20 894		
Economic classification											
Current payments	14 670	11 428	13 873	14 905	0.5%	100.0%	17 121	18 997	20 894	11.9%	100.0%
Compensation of employees	11 452	11 428	11 862	13 290	5.1%	87.5%	14 252	15 755	17 465	9.5%	84.5%
Goods and services	3 218	–	2 011	1 615	-20.5%	12.5%	2 869	3 242	3 429	28.5%	15.5%
of which:											
Advertising	–	–	–	50	–	0.1%	–	80	85	19.3%	0.3%
Minor assets	20	–	3	5	-37.0%	0.1%	5	5	5	–	–
Catering: Departmental activities	59	–	10	11	-42.9%	0.1%	11	12	13	5.7%	0.1%
Communication	219	–	160	173	-7.6%	1.0%	295	311	329	23.9%	1.5%
Consultants: Business and advisory services	23	–	–	–	-100.0%	–	–	–	–	–	–
Entertainment	–	–	14	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	1	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Other supplies	1	–	–	–	-100.0%	–	–	–	–	–	–
Consumable supplies	–	–	90	93	–	0.3%	19	19	20	-40.1%	0.2%
Consumables: Stationery, printing and office supplies	189	–	177	102	-18.6%	0.9%	493	538	569	77.4%	2.4%
Operating leases	3	–	–	–	-100.0%	–	–	–	–	–	–
Travel and subsistence	2 621	–	1 355	1 118	-24.7%	9.3%	1 856	2 066	2 182	25.0%	10.0%
Training and development	3	–	70	56	165.3%	0.2%	61	98	107	24.1%	0.4%
Operating payments	–	–	2	7	–	–	79	12	12	19.7%	0.2%
Venues and facilities	79	–	130	–	-100.0%	0.4%	50	101	107	–	0.4%
Payments for capital assets	8	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	8	–	–	–	-100.0%	–	–	–	–	–	–
Total	14 678	11 428	13 873	14 905	0.5%	100.0%	17 121	18 997	20 894	11.9%	100.0%
Proportion of total programme expenditure to vote expenditure	14.0%	27.2%	12.0%	11.8%	–	–	13.2%	13.4%	13.9%	–	–

Personnel information

Table 4.26 Research, Policy and Legislation personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
Research, Policy and Legislation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	21	–	20	11.9	0.6	22	13.3	0.6	22	14.2	0.6	23	15.8	0.7	26	17.5	0.7	5.7%	100.0%
1 – 6	5	–	4	0.7	0.2	5	0.9	0.2	5	1.0	0.2	5	1.0	0.2	8	1.9	0.2	17.0%	24.7%
7 – 10	3	–	3	1.2	0.4	4	1.6	0.4	4	1.7	0.4	4	1.8	0.5	4	1.9	0.5	–	17.2%
11 – 12	6	–	6	3.3	0.6	6	3.5	0.6	6	3.7	0.6	7	4.6	0.7	7	4.8	0.7	5.3%	28.0%
13 – 16	7	–	7	6.6	0.9	7	7.2	1.0	7	7.8	1.1	7	8.3	1.2	7	8.8	1.3	–	30.1%
Total	21	–	20	11.9	0.6	22	13.3	0.6	22	14.2	0.6	–	15.8	–	–	17.5	–	–	–

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

2. Rand million.

Programme 3: Institutional Support and Coordination

Programme purpose

Provide comprehensive support to the institutions of traditional leadership, including KhoiSan leadership structures, to coordinate traditional affairs across the three spheres of government.

Objective

- Promote and integrate the role of traditional affairs in South Africa's governance system by establishing synergistic relations with other governance structures across the three spheres of government on an ongoing basis.

Subprogrammes

- Management* provides strategic oversight for the programme.
- Institutional Development and Capacity Building* ensures that traditional communities are empowered by reviewing and developing national support programmes for traditional communities and their governance structures.
- Intergovernmental Relations and Partnerships* promotes and integrates the role and place of traditional affairs and the institutions of traditional leadership, including KhoiSan leadership structures in the South African governing system by establishing synergistic relations with other governance structures across the three spheres of government.
- National House of Traditional Leaders* enhances cooperation between government and institutions of traditional leadership and advises government on programmes, policies and legislation that impact on traditional communities. *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities* promotes and protects the cultural, religious and linguistic rights of communities.
- Commission of Traditional Leaders Disputes and Claims* processes and finalises traditional leadership disputes and claims.

Expenditure trends and estimates

Table 4.27 Institutional Support and Coordination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13	2015/16	2016/17	2017/18	2018/19	2015/16	2018/19
					Average		Total:			Average	
R thousand											
Management	13 214	4 403	1 958	2 062	-46.2%	8.3%	2 195	2 742	2 901	12.1%	2.9%
Institutional Development and Capacity Building	-	-	6 020	6 035	-	4.6%	6 898	6 574	6 956	4.8%	7.7%
Intergovernmental Relations and Partnerships	-	-	6 146	6 883	-	5.0%	7 291	7 701	8 149	5.8%	8.7%
National House of Traditional Leaders	18 550	10 552	18 627	16 607	-3.6%	24.5%	15 185	15 269	16 154	-0.9%	18.3%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	34 227	-	34 973	36 582	2.2%	40.4%	38 521	40 447	42 793	5.4%	45.8%
Commission on Traditional Leaders Disputes and Claims	11 695	7 280	12 723	13 608	5.2%	17.3%	13 776	14 604	15 721	4.9%	16.7%
Total	77 686	22 235	80 447	81 777	1.7%	100.0%	83 866	87 337	92 674	4.3%	100.0%
Change to 2015 Budget estimate				81 777			83 866	87 337	92 674		
Economic classification											
Current payments	43 428	22 235	45 274	43 195	-0.2%	58.8%	45 345	46 890	49 881	4.9%	53.6%
Compensation of employees	24 301	22 235	23 780	26 696	3.2%	37.0%	27 221	28 759	30 701	4.8%	32.8%
Goods and services	19 127	-	21 494	16 499	-4.8%	21.8%	18 124	18 131	19 180	5.1%	20.8%
of which:											
Advertising	6	-	200	-	-100.0%	0.1%	-	-	-	-	-
Minor assets	41	-	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	542	-	236	151	-34.7%	0.4%	206	188	199	9.6%	0.2%
Communication	800	-	874	929	5.1%	1.0%	879	924	976	1.7%	1.1%
Consultants: Business and advisory services	1 155	-	-	-	-100.0%	0.4%	1 634	1 638	1 733	-	1.4%
Legal services	4 055	-	4 000	4 280	1.8%	4.7%	4 314	4 518	4 780	3.8%	5.2%
Contractors	72	-	-	-	-100.0%	-	-	-	-	-	-
Entertainment	-	-	24	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	350	495	523	-	0.4%
Inventory: Fuel, oil and gas	9	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	7	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	1 789	906	-	1.0%	236	359	379	-25.2%	0.5%
Consumables: Stationery, printing and office supplies	319	-	2 374	1 378	62.9%	1.6%	2 249	1 677	1 774	8.8%	2.0%
Operating leases	15	-	-	-	-100.0%	-	-	-	-	-	-
Property payments	499	-	-	-	-100.0%	0.2%	-	-	-	-	-
Travel and subsistence	10 605	-	10 422	7 805	-9.7%	11.0%	7 235	7 155	7 571	-1.0%	8.6%
Training and development	246	-	485	430	20.5%	0.4%	446	476	504	5.4%	0.5%
Operating payments	95	-	106	113	6.0%	0.1%	262	275	291	37.1%	0.3%
Venues and facilities	661	-	984	507	-8.5%	0.8%	313	426	450	-3.9%	0.5%
Transfers and subsidies	34 227	-	34 973	36 582	2.2%	40.4%	38 521	40 447	42 793	5.4%	45.8%
Non-profit institutions	34 227	-	34 973	36 582	2.2%	40.4%	38 521	40 447	42 793	5.4%	45.8%
Payments for capital assets	31	-	200	2 000	301.1%	0.9%	-	-	-	-100.0%	0.6%
Machinery and equipment	31	-	200	2 000	301.1%	0.9%	-	-	-	-100.0%	0.6%
Total	77 686	22 235	80 447	81 777	1.7%	100.0%	83 866	87 337	92 674	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	74.0%	52.8%	69.4%	64.9%	-	-	64.6%	61.6%	61.5%	-	-
Details of transfers and subsidies											
Non-profit institutions											
Current	34 227	-	34 973	36 582	2.2%	40.4%	38 521	40 447	42 793	5.4%	45.8%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	34 227	-	34 973	36 582	2.2%	40.4%	38 521	40 447	42 793	5.4%	45.8%

Personnel information

Table 4.28 Institutional Support and Coordination personnel numbers and cost by salary level¹

Institutional Support and Coordination	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost
Salary level	36	2	43	23.8	0.6	47	25.8	0.5	47	26.8	0.6	48	28.8	0.6	48	30.7	0.6	0.7%	100.0%
1-6	10	2	19	5.0	0.3	19	3.9	0.2	19	4.1	0.2	19	4.4	0.2	19	4.6	0.2	-	40.0%
7-10	7	-	5	1.7	0.3	6	2.3	0.4	6	2.4	0.4	7	2.9	0.4	7	3.1	0.4	5.3%	13.7%
11-12	5	-	5	2.9	0.6	5	2.9	0.6	5	3.0	0.6	5	3.2	0.6	5	3.3	0.7	-	10.5%
13-16	14	-	14	14.1	1.0	17	16.7	1.0	17	17.2	1.0	17	18.3	1.1	17	19.7	1.2	-	35.8%
Total	36	2	43	23.8	0.6	47	25.8	0.5	47	26.8	0.6	-	28.8	-	-	30.7	-	-	-

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

2. Rand million.

Entities

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

Mandate

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities is a constitutional institution in terms of section 181(1)(c) of the Constitution to protect and promote the rights of cultural, religious and linguistic communities. Its mandate is to: promote and develop peace, friendship, humanity, tolerance and national unity among cultural, religious and linguistic communities on the basis of equality, non-discrimination and free association; promote respect for and further the protection of the rights of cultural, religious and linguistic communities; and recommend the establishment or recognition of cultural or community councils in accordance with national legislation.

Selected performance indicators

Table 4.29 Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of complaints handled	Investigation and conflict resolution	Outcome 14: Nation building and social cohesion	-1	-1	-1	-1	95	95	95
Number of recommendations formulated per year	Investigation and conflict resolution		-1	-1	-1	-1	8	9	10
Number of research reports published per year	Research and policy development		5	12	12	12	12	12	12
Number of engagements with communities per year (dialogues, seminars and information sharing sessions)	Public education and community engagement		96	38	48	68	78	84	90
Number of reports on conflict resolution management per year	Public education and community engagement		-1	-1	-1	-1	5	5	5

1. No historical data is available as these indicators are introduced in 2016/17.

Expenditure analysis

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities supports outcome 14 (nation building and social cohesion) of government's 2014-2019 medium term strategic framework by developing and recommending a national policy on cultural, religious and linguistic matters.

The commission's main focus over the medium term will be on engaging with communities, particularly those in rural areas, on issues relating to linguistic, cultural and religious rights. These engagements are expected to enhance public education on cultural practices such as the slaughtering of animals, and ukuthwala, a practice in which young girls are forced into marriage. The number of engagements is expected to increase from 78 in 2016/17 to 90 in 2018/19 at a projected cost of R14 million over the medium term. Public awareness requires extensive media coverage, and as a result, the commission expects to spend R13.8 million over the medium term on communications and marketing. The engagements the commission plans to conduct are expected to culminate in a national consultative conference set to be held in 2017/18, which will further enhance cultural understanding and contribute to social cohesion.

The commission aims to handle and resolve 95 public dispute cases each year over the medium term that arise from linguistic, cultural or religious differences. It plans to formulate 28 resolutions over the MTEF period pertaining to these cases, and develop 15 conflict management and resolution reports per year for them. To achieve these targets, the commission expects to spend R6 million over the medium term.

Higher than expected salary adjustments due to wage settlements, legal fees relating to disputed cases, and lease payments are expected to drive an increase in expenditure in the administration programme over the medium term from R25.7 million in 2016/17 to R29.6 million in 2018/19, at an average annual rate of 8.6 per cent. Compensation of employees, including for the 36 permanent personnel and 12 sitting commissioners, is expected to account for 60.7 per cent of the transfers of R122 million over the MTEF period from the Department of Traditional Affairs.

Programmes/objectives/activities

Table 4.30 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
Administration	20 840	22 100	22 912	23 099	3.5%	65.9%	25 681	26 291	29 553	8.6%	66.1%
Investigation and conflict resolution	1 644	2 079	1 793	1 994	6.6%	5.6%	2 093	2 236	2 367	5.9%	5.5%
Research and policy development	1 299	1 991	1 582	1 788	11.2%	5.0%	1 861	1 977	2 083	5.2%	4.9%
Public education and community engagement	2 061	3 943	4 169	4 366	28.4%	10.8%	4 739	5 342	4 261	-0.8%	11.9%
Communication and marketing	8 667	-	4 697	4 558	-19.3%	12.8%	4 317	4 774	4 705	1.1%	11.6%
Total	34 511	30 113	35 153	35 805	1.2%	100.0%	38 691	40 620	42 969	6.3%	100.0%

Statements of historical financial performance and position

Table 4.31 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16				
Revenue									
Non-tax revenue	125	307	-	122	150	179	150	150	178.4%
Other non-tax revenue	125	307	-	122	150	179	150	150	178.4%
Transfers received	34 227	34 227	32 503	32 503	34 973	34 974	36 582	36 582	100.0%
Total revenue	34 352	34 534	32 503	32 625	35 123	35 153	36 732	36 732	100.2%
Expenses									
Current expenses	34 352	34 511	32 503	30 113	34 973	35 153	35 805	35 805	98.5%
Compensation of employees	18 978	16 592	19 104	18 646	21 894	16 875	21 235	21 235	90.3%
Goods and services	14 874	17 496	13 399	10 991	12 656	17 846	14 060	14 060	109.8%
Depreciation	500	423	-	475	423	432	510	510	128.4%
Interest, dividends and rent on land	-	-	-	1	-	-	-	-	-
Total expenses	34 352	34 511	32 503	30 113	34 973	35 153	35 805	35 805	98.5%
Surplus/(Deficit)	-	23	-	2 512	150	-	927	927	-
Statement of financial position									
Carrying value of assets	633	1 156	-	1 310	-	-	-	-	389.6%
Loans	-	468	-	802	-	-	-	-	-
Receivables and prepayments	490	327	-	395	-	-	-	-	147.3%
Cash and cash equivalents	3 680	2 258	-	920	-	-	-	-	86.4%
Total assets	4 803	4 209	-	3 427	-	-	-	-	159.0%
Accumulated surplus/(deficit)	782	(88)	-	2 424	-	-	-	-	298.7%
Capital and reserves	4 196	-	-	-	-	-	-	-	-
Trade and other payables	(332)	3 214	-	114	-	-	-	-	-1 002.4%
Provisions	157	1 083	-	889	-	-	-	-	1 256.1%
Total equity and liabilities	4 803	4 209	-	3 427	-	-	-	-	159.0%

Statements of estimates of financial performance

Table 4.32 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities statements of estimates of financial performance

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
Revenue									
Non-tax revenue	150	-21.2%	0.5%	170	173	176	5.5%	0.4%	
Other non-tax revenue	150	-21.2%	0.5%	170	173	176	5.5%	0.4%	
Transfers received	36 582	2.2%	99.5%	38 521	40 447	42 793	5.4%	99.6%	
Total revenue	36 732	2.1%	100.0%	38 691	40 620	42 969	5.4%	100.0%	

Table 4.32 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities statements of estimates of financial performance

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2015/16				2012/13 - 2015/16	2016/17	2017/18		
Expenses									
Current expenses		35 805	1.2%	100.0%	38 691	40 620	42 969	6.3%	117.8%
Goods and services		14 060	-7.0%	44.3%	14 899	15 663	16 246	4.9%	38.5%
Depreciation		510	6.4%	1.4%	341	347	-	-100.0%	0.8%
Total expenses		35 805	1.2%	100.0%	38 691	40 620	42 969	6.3%	100.0%
Surplus/(Deficit)		927	2	-	-	-	-	-100.0%	-

Personnel information

Table 4.33 The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities																			
Salary level	37	37	16.9	0.5	32	21.2	0.7	37	23.5	0.6	37	24.6	0.7	37	26.7	0.7	8.0%	100.0%	
1 – 6	4	4	4	0.5	0.1	4	0.6	0.2	4	0.7	0.2	4	0.7	0.2	4	0.8	0.2	6.5%	11.2%
7 – 10	20	20	20	7.1	0.4	17	9.0	0.5	20	10.3	0.5	20	10.5	0.5	20	11.8	0.6	9.7%	53.8%
11 – 12	6	6	6	3.6	0.6	5	4.4	0.9	6	4.7	0.8	6	5.1	0.8	6	5.3	0.9	6.6%	16.1%
13 – 16	7	7	7	5.7	0.8	6	7.2	1.2	7	7.8	1.1	7	8.3	1.2	7	8.8	1.3	6.7%	18.9%

1. Rand million.

Municipal Demarcation Board

Mandate

The Municipal Demarcation Board is an independent authority responsible for determining municipal boundaries. Section 3 of the Local Government Municipal Demarcation Act (1998) provides that the board is a juristic person, is independent and must be impartial. The board is mandated to determine municipal boundaries in accordance with the act and other appropriate legislation enacted in terms of chapter 7 of the Constitution. The board is also governed in terms of the Municipal Structures Act (1998).

Selected performance indicators

Table 4.34 Municipal Demarcation Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections			
			2012/13	2013/14	2014/15		2015/16	2016/17	2017/18	2018/19
Delimitation of municipal ward boundaries to facilitate 2016 and 2021 local government elections by March 2018	Operation and research	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	-1	-1	-1	100% of wards for the 2016 local government elections finalised. New and relevant capacity assessment model developed and designed	100% of report on the evaluation of the ward delimitation process prepared. Municipal capacity assessment conducted	100% of review of ward delimitation policy and procedures finalised. Capacity assessment processed and finalised	100% draft plan for the 2021 ward delimitation completed. Capacity assessment findings processed and finalised	100%

Table 4.34 Municipal Demarcation Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Re-determination of municipal outer boundaries after the 2016 local elections by March 2018	Operation and research	Outcome 11: Create a better South Africa, a better Africa and a better world	-1	-1	-1	100% of requests for boundary re-determinations considered and processed	100% pre-section 26 consultations with stakeholders to validate proposed re-determinations finalised	100% section 26 process, including publication inviting and receiving views and representation, published	100% final municipal boundary re-determinations published

1. No historical data is available.

Expenditure analysis

The national development plan prioritises building the capacity and developmental commitment of the state. This objective, as it relates to local government, is further refined in outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework. In line with this, over the medium term, the Municipal Demarcation Board's focus will be on determining and re-determining the boundaries of local, district and metropolitan municipalities; and finalising the process for delimiting wards for the 2016 local government elections while preparing for the 2021 local government elections.

In gearing up for the 2016 local government elections, the board spent R18 million in 2015/16 from its reserves, which resulted in a spike in expenditure in the operation and research programme in 2015/16 and 2016/17. As activities wind down after the 2016 local government elections and the board begins to lay the groundwork for the 2021 local government elections, expenditure in the programme is set to decline at an average annual rate of 20.5 per cent over the medium term. 26 per cent of the board's budget over the medium term (R36.4 million) is directed towards the programme.

To support the activities in the operation and research programme, 67.6 per cent of the board's budget over the medium term (R114.5 million) is allocated to the administration programme. At the end of September 2015, the board had 56 personnel, and this number is expected to remain fairly constant over the MTEF period, with compensation of employees expected to increase from R20.2 million in 2015/16 to R32.4 million in 2018/19.

The board is funded through transfers from the Department of Cooperative Governance amounting to R164 million over the medium term. A Cabinet approved allocation of R10 million will be effected in 2016/17 as a reimbursement for the extended demarcation process. As a result, the board's allocation is R59 million in 2016/17, R53 million in 2017/18, and R56 million in 2018/19.

Programmes/objectives/activities

Table 4.35 Municipal Demarcation Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	19 415	31 584	40 650	39 524	26.7%	66.4%	39 969	36 412	38 163	-1.2%	67.6%
Operation and research	14 936	13 132	11 635	24 238	17.5%	33.1%	12 630	11 613	12 197	-20.5%	26.0%
Research and knowledge management	-	-	-	1 303	-	0.5%	6 121	3 126	3 738	42.1%	6.4%
Total	34 351	44 716	52 285	65 065	23.7%	100.0%	58 720	51 151	54 098	-6.0%	100.0%

Statements of historical financial performance

Table 4.36 Municipal Demarcation Board statements of historical financial performance

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Outcome/Budget Average (%) 2012/13 - 2015/16
	2012/13	2013/14	2012/13	2013/14	2014/15	2015/16	2014/15	2015/16	
Revenue									
Non-tax revenue	497	926	6 000	948	5 711	942	6 207	19 272	119.9%
Sale of goods and services other than capital assets	25	9	27	11	28	39	34	34	81.6%
of which:									
Administrative fees	-	-	-	-	-	5	-	-	-
Sales by market establishment	25	9	27	11	28	34	34	34	77.2%

Table 4.36 Municipal Demarcation Board statements of historical financial performance

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R thousand	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16
Other non-tax revenue	472	917	5 973	937	5 683	903	6 173	19 238	120.2%
Transfers received	40 362	40 397	42 152	42 182	44 230	44 230	45 793	45 793	100.0%
Total revenue	40 859	41 323	48 152	43 130	49 941	45 172	52 000	65 065	102.0%
Expenses									
Current expenses	40 859	34 351	48 152	44 716.0	49 941	52 285	52 000	65 065	102.9%
Compensation of employees	17 199	12 838	23 994	17 991	23 898	20 081	24 243	20 242	79.6%
Goods and services	22 694	20 358	23 363	25 607	25 613	30 637	27 020	43 256	121.4%
Depreciation	966	1 155	795	1 118	430	1 567	737	1 567	184.7%
Total expenses	40 859	34 351	48 152	44 716	49 941	52 285	52 000	65 065	102.9%
Surplus/(Deficit)	-	6 972	-	(1 586)	-	(7 113)	-	-	-

Statements of estimates of financial performance and position

Table 4.37 Municipal Demarcation Board statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	19 272	175.1%	9.0%	500	520	530	-69.8%	8.1%
Sale of goods and services other than capital assets	34	55.7%	0.0%	-	-	-	-100.0%	0.0%
of which:								
Sales by market establishment	34	55.7%	0.0%	-	-	-	-100.0%	0.0%
Other non-tax revenue	19 238	175.8%	9.0%	500	520	530	-69.8%	8.1%
Transfers received	45 793	4.3%	91.0%	58 220	50 631	53 568	5.4%	91.9%
Total revenue	65 065	16.3%	100.0%	58 720	51 151	54 098	-6.0%	100.0%
Expenses								
Current expenses	65 065	23.7%	100.0%	58 720	51 151	54 098	-6.0%	124.1%
Goods and services	43 256	28.6%	60.4%	28 632	18 951	20 138	-22.5%	47.4%
Depreciation	1 567	10.7%	2.8%	1 567	1 567	1 567	-	2.8%
Total expenses	65 065	23.7%	100.0%	58 720	51 151	54 098	-6.0%	100.0%
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-
Statement of financial position								
Carrying value of assets	3 800	-0.9%	25.0%	3 710	3 500	3 500	-2.7%	56.1%
of which:								
Acquisition of assets	(1 735)	3.1%	-11.9%	(1 007)	(990)	(820)	-22.1%	-17.3%
Inventory	355	18.6%	2.0%	400	420	420	5.8%	6.2%
Receivables and prepayments	580	10.4%	2.8%	559	490	492	-5.3%	8.2%
Cash and cash equivalents	2 500	-53.7%	70.2%	1 500	1 800	1 900	-8.7%	29.5%
Total assets	7 235	-37.6%	100.0%	6 169	6 210	6 312	-4.4%	100.0%
Trade and other payables	5 229	56.3%	24.2%	4 219	4 200	4 350	-6.0%	69.3%
Provisions	2 006	21.3%	12.3%	1 950	2 010	1 962	-0.7%	30.7%
Total equity and liabilities	7 235	-37.6%	100.0%	6 169	6 210	6 312	-6.7%	100.0%

Personnel information

Table 4.38 Municipal Demarcation Board personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
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	56	51	38	20.1	0.5	52	20.2	0.4	52	28.5	0.5	52	30.6	0.6	52	32.4	0.6	17.0%	100.0%
1 – 6	14	9	2	0.5	0.2	10	1.3	0.1	9	1.1	0.1	9	1.1	0.1	9	0.9	0.1	-10.7%	17.8%
7 – 10	22	22	16	5.4	0.3	22	6.1	0.3	23	9.1	0.4	23	9.8	0.4	23	10.4	0.5	19.7%	43.8%
11 – 12	9	9	9	4.9	0.5	9	5.1	0.6	9	5.5	0.6	9	6.0	0.7	9	6.3	0.7	7.1%	17.3%
13 – 16	11	11	11	9.3	0.8	11	7.7	0.7	11	12.8	1.2	11	13.7	1.2	11	14.7	1.3	24.1%	21.2%

1. Rand million.

Municipal Infrastructure Support Agency

Mandate

The Municipal Infrastructure Support Agency was officially proclaimed as a government component in May 2012 in terms of section 7(5)(c) of the Public Service Act (1994). The agency's mandate is derived from the following sections of the Constitution:

- section 154(1), which provides that national and provincial governments must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions
- section 155(7), which provides that national and provincial governments have the legislative and executive authority to see to the effective performance by municipalities of their functions by regulating the manner in which municipalities exercise their executive authority.

Selected performance indicators

Table 4.39 Municipal Infrastructure Support Agency performance indicators by programme/objective/activity and related outcome

Indicator ¹	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of municipalities supported to plan and/or implement projects to develop and/or maintain municipal infrastructure per year	Municipal and sectoral technical support	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	-2	-2	-2	34	40	60	65
Number of municipalities assisted with the development or review of municipal infrastructure master plans per year	Municipal and sectoral technical support		-2	-2	-2	33	30	45	50
Number of municipalities supported to develop or review infrastructure operations and maintenance plans, and/or policies and/or procedures per year	Municipal and sectoral technical support		-2	-2	-2	21	20	30	35
Number of regional management support contracts awarded per year	Municipal and sectoral technical support		-3	-3	-3	-3	1	2	3
Number of apprentices provided with theoretical and workplace training per year	Capacity development		-4	103	200	396	376	380	390
Number of graduates and technical personnel provided with workplace training and mentorship towards professional registration per year	Capacity development		-4	40	40	60	244	264	270
Number of municipal officials provided with technical skills training per year	Capacity development		-4	129	200	400	50	150	300
Number of approved performance reports on the agency's outcome per year	Strategic support		-4	4	4	4	4	4	4

1. The agency has revised its indicators to align with its mandate, which is structured to respond to issues in the municipal sector at any given time.

2. No historical data is available as these indicators are introduced in 2015/16.

3. No historical data is available as this indicator is introduced in 2016/17.

4. No historical data is available as this indicator was introduced in 2012/13.

Expenditure analysis

The national development plan envisages a developmental and capable state, and acknowledges the need to produce and develop technical and specialist skills in government to overcome the skills shortage and professionalise the public service, particularly at local government level. The medium term focus of the Municipal Infrastructure Support Agency is linked to outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework, as both aim to ensure sustainable and reliable access to basic services, particularly in weaker municipalities where there is the highest unmet demand for basic services. The agency was established to provide immediate support to municipalities struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to these municipalities.

Over the MTEF period, the agency plans to assist between 33 and 50 municipalities to develop or review their infrastructure master plans. This will increase technical support to municipalities to address the deteriorating state of municipal infrastructure due to lack of or inadequate operations and maintenance, and will enable the agency to increase its support for the implementation of infrastructure maintenance projects from an estimated 40 municipalities in 2016/17 to 65 in 2018/19. To enhance their capacity to implement and manage infrastructure projects, the agency aims to roll out 6 regional management support contracts to provide 234 municipalities with intensive multidisciplinary support in the fields of financial management, engineering, human resource management, and project management. This will be made possible by an allocation to the agency of R80.5 million to be effected over the medium term. 57.5 per cent of the agency's budget over the medium term (R635.8 million) is allocated towards municipal and sectoral technical support initiatives, reflecting an average annual growth of 5.1 per cent in expenditure in this programme.

The agency will scale back the deployment of experts to municipalities over the MTEF period, focusing instead on providing direct training to entry level municipal officials to ensure improvements within municipalities. To this end, the number of apprentices provided with theoretical and workplace training is expected to increase from 366 in 2016/17 to 390 in 2018/19, and the number of graduates and technical personnel provided with workplace training and mentorships for professional registration is expected to increase from 204 to 270 over the same period. As part of the new training strategy, the agency plans to provide 50 municipal officials with technical skills training in 2016/17, and increase this target to 300 in 2018/19. The agency has allocated 21 per cent (R210 million) of its budget over the medium term towards this capacity development programme.

In producing and developing technical and specialist related skills in local government, the number of personnel in the agency is expected to increase from 636 in 2015/16 to 701 in 2018/19. The increase in specialised skills (mostly engineers and finance) in the agency will enable it to capacitate the targeted number of municipal officials to implement operations and maintenance projects and improve municipal infrastructure. The increase will also allow particular attention to be given to reinforcing the supply chain management unit so that it gains capabilities to manage regional contracts that aim to alleviate infrastructure related procurement burdens faced by low capacity municipalities. Accordingly, expenditure on compensation of employees over the MTEF period is projected to be R227.2 million, increasing from R66.5 million in 2015/16 to R79.9 million in 2018/19.

The agency does not generate revenue as its operations and programmes are wholly funded by a transfer from the Department of Cooperative Governance, amounting to R1.1 billion over the medium term.

Programmes/objectives/activities

Table 4.40 Municipal Infrastructure Support Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16		2012/13	2015/16	2016/17	2017/18	2018/19		
Administration	-	51 167	72 079	49 413	-	-	58 200	60 035	63 516	8.7%	16.6%	
Municipal and sectoral technical support	-	204 889	177 758	168 400	-	-	205 489	234 791	195 509	5.1%	57.5%	
Capacity development	-	21 205	37 563	70 900	-	-	66 600	69 930	73 986	1.4%	20.3%	
Strategic support	-	5 954	13 435	15 300	-	-	19 600	20 580	21 774	12.5%	5.5%	
Total	-	283 215	300 835	304 013	-	-	349 889	385 336	354 785	5.3%	100.0%	

Statements of historical financial performance and position

Table 4.41 Municipal Infrastructure Support Agency statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	-	-	-	3 622	-	-	-	-	-
Other non-tax revenue	-	-	-	3 622	-	-	-	-	-
Transfers received	-	-	-	305 821	-	304 104	-	304 013	-
Total revenue	-	-	-	309 443	-	304 104	-	304 013	-
Expenses									
Current expenses	-	-	-	283 215	-	300 835	304 013	304 013	292.1%
Compensation of employees	-	-	-	43 127	-	54 594	66 500	66 500	246.9%
Goods and services	-	-	-	237 886	-	241 945	237 513	237 513	302.0%
Depreciation	-	-	-	2 202	-	4 296	-	-	-
Total expenses	-	-	-	283 215	-	300 835	304 013	304 013	292.1%
Surplus/(Deficit)	-	-	-	26 228	-	3 269	(304 013)	-	-
Statement of financial position									
Carrying value of assets	-	-	-	38 826	-	44 287	30 630	30 630	371.3%
Acquisition of assets	-	-	-	(33 119)	-	(9 730)	-	-	-
Receivables and prepayments	-	-	-	17 029	-	11 927	19 755	19 755	246.6%
Cash and cash equivalents	-	-	-	114 993	-	7 663	15 294	15 294	902.0%
Total assets	-	-	-	170 848	-	63 877	65 679	65 679	457.4%
Accumulated surplus/(deficit)	-	-	-	26 228	-	29 498	20 875	20 875	367.0%
Trade and other payables	-	-	-	142 402	-	32 165	40 261	40 261	533.6%
Provisions	-	-	-	2 162	-	1 730	4 543	4 543	185.7%
Derivatives financial instruments	-	-	-	56	-	484	-	-	-
Total equity and liabilities	-	-	-	170 848	-	63 877	65 679	65 679	457.4%

Statements of estimates of financial performance and position

Table 4.42 Municipal Infrastructure Support Agency statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Transfers received	304 013	-	-	349 889	385 336	354 785	5.3%	100.0%
Total revenue	304 013	-	-	349 889	385 336	354 785	5.3%	100.0%
Expenses								
Current expenses	304 013	-	-	349 889	385 336	354 785	5.3%	-
Compensation of employees	66 500	-	-	71 155	76 135	79 942	6.3%	21.1%
Goods and services	237 513	-	-	274 734	305 301	271 643	4.6%	78.1%
Depreciation	-	-	-	4 000	3 900	3 200	-	0.8%
Total expenses	304 013	-	-	349 889	385 336	354 785	5.3%	100.0%
Surplus/(Deficit)	-	-	-	-	-	-	-	-
Statement of financial position								
Carrying value of assets	30 630	-	-	29 130	28 628	28 628	-2.2%	42.1%
Receivables and prepayments	19 755	-	-	20 736	21 769	22 858	5.0%	30.5%
Cash and cash equivalents	15 294	-	-	18 234	21 266	21 913	12.7%	27.4%
Total assets	65 679	-	-	68 100	71 663	73 399	3.8%	100.0%
Accumulated surplus/(deficit)	20 875	-	-	21 070	22 290	23 237	3.6%	31.4%
Trade and other payables	40 261	-	-	42 262	44 366	45 112	3.9%	61.7%
Provisions	4 543	-	-	4 769	5 006	5 050	3.6%	6.9%
Total equity and liabilities	65 679	-	-	68 101	71 663	73 399	11.1%	100.0%

Personnel information

Table 4.43 Municipal Infrastructure Support Agency personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Municipal Infrastructure Support Agency																			
Salary level	524	523	551	54.6	0.1	636	66.5	0.1	661	71.2	0.1	681	76.1	0.1	701	79.9	0.1	6.3%	100.0%
1 – 6	492	492	522	28.5	0.1	602	34.3	0.1	626	36.4	0.1	646	39.0	0.1	666	40.6	0.1	5.8%	94.8%
7 – 10	6	6	3	1.3	0.4	8	3.7	0.5	9	4.3	0.5	9	4.6	0.5	9	4.8	0.5	9.2%	1.3%
11 – 12	13	13	13	10.5	0.8	13	11.4	0.9	13	12.2	0.9	13	13.1	1.0	13	13.8	1.1	6.6%	1.9%
13 – 16	13	12	13	14.3	1.1	13	17.0	1.3	13	18.3	1.4	13	19.5	1.5	13	20.6	1.6	6.6%	1.9%

1. Rand million.

South African Local Government Association

Mandate

The South African Local Government Association is an association of municipalities recognised by the Organised Local Government Act (1997) as a representative of organised local government. As such, it is mandated to transform the local government sector into one that has the required capacity to make a meaningful contribution to poverty alleviation, economic development and all socioeconomic opportunities the state has committed itself to provide. The association serves as the representative voice of all 278 municipalities in the country.

Selected performance indicators

Table 4.44 South African Local Government Association performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past				Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Number of municipalities provided with advice and support to implement Spatial Planning and Land Use Management Act (2013) per year	Economic development and management planning		-1	-1	-1	-1	258	258	258	
Number of small towns revitalised to effect greater socioeconomic development per year	Economic development and management planning		-1	-1	-1	-1	4	6	8	
Number of structured engagements with national and provincial legislatures and the executive in respect of policy and legislation negatively impacting on local government per year	Governance, intergovernmental relations and international relations		-1	-1	-1	-1	55	55	55	
Number of engagements and reports on councillor remuneration issues with the Department of Cooperative Governance and Traditional Affairs/the Independent Commission for the Remuneration of Public Office Bearers per year	Governance, intergovernmental relations and international relations	Outcome 9: Responsive, accountable, effective and efficient development local government system	-1	-1	-1	-1	A minimum of 1 engagement with the Department of Cooperative Governance and Traditional Affairs and the Independent Commission for the Remuneration of Public Office Bearers. An approved submission to the department/ commission on salary increases for councillors for 2016/17	A minimum of 1 engagement with the Department of Cooperative Governance and Traditional Affairs and the Independent Commission for the Remuneration of Public Office Bearers. An approved submission to the department/ commission on salary increases for councillors for 2017/18	A minimum of 1 engagement with the Department of Cooperative Governance and Traditional Affairs and the Independent Commission for the Remuneration of Public Office Bearers. An approved submission to the department/ commission on salary increases for councillors for 2018/19	

Table 4.44 South African Local Government Association performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of municipalities represented in disciplinary hearings and grievances, conciliations and arbitrations per year	Municipal institutional development	Outcome 9: Responsive, accountable, effective and efficient development local government system	-1	-1	-1	-1	150	208	208
Number of municipalities supported to improve coordination and access to service delivery per year	Municipal infrastructure and services		-1	-1	-1	-1	20	20	20
Number of municipalities supported to improve revenue management, credit control and outstanding debt per year	Municipal finance		-1	-1	-1	-1	65	65	65

1. No historical data is available as these are new indicators.

Expenditure analysis

As a representative of local government, the South African Local Government Association contributes to the achievement of outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework.

The association's focus over the medium term will be on representing the interests of all the 258 municipalities in legislatures, intergovernmental relations structures and forums, and other policy making and oversight structures that pertain to matters, legislation and policies that affect local government. The association plans to participate in 55 such structures and forums each year over the MTEF period. It will continue to engage with the Department of Cooperative Governance and the Independent Commission for the Remuneration of Public Office Bearers through mandatory engagements and submissions adopted by its governance structures on increases to councillors' salaries and allowances. To ensure that these initiatives are carried out effectively, R180.5 million over the medium is allocated to the governance, intergovernmental relations and international relations programme. This amount includes a budget allocation of R93.9 million over the medium term to support the association's participation in mandatory structures. To enable the association to continue to participate in forums dealing with the fiscal framework on matters relating to instruments for local government grant funding, R161.8 million over the MTEF period is allocated to the municipal finance programme.

The association will also focus on providing advice to all member municipalities on labour relations processes and policies. It plans to increase the number of municipalities represented in disciplinary hearings and grievances, conciliations and arbitration from 150 in 2016/17 to 208 in 2018/19. To enable the association to participate in these collective bargaining processes for all its member municipalities, R168.8 million over the MTEF period is allocated to the municipal institutional development programme. To improve the provision of all municipal infrastructure and services such as electricity, water, refuse and sanitation; and facilitate resolutions to infrastructure related challenges such as water and electricity distribution losses, pricing, and innovation in 20 municipalities each year over the medium term, a further R163.8 million is allocated over the period.

The association plans to support 65 municipalities each year over the medium term to improve revenue management and credit control, and reduce debt owed to these municipalities by implementing the revenue enhancement strategy. To support all 258 municipalities in implementing the Spatial Planning and Land Use Management Act (2013) and 18 small municipalities in implementing the small towns regeneration strategy, R126.5 million will be spent in the economic development and management planning programme over the medium term.

At the end of September 2015, the association had 512 personnel. It plans to employ 40 additional personnel over the medium term to strengthen capacity throughout the country. Expenditure on compensation of employees is thus expected to increase from R264 million in 2015/16 to R343.2 million 2018/19.

The association derives its revenue mainly from levies from municipalities' membership fees, accounting for 88.2 per cent (R1.6 billion) of its expected total revenue over the medium term.

Programmes/objectives/activities

Table 4.45 South African Local Government Association expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R thousand											
Administration	150 610	191 758	244 876	257 516	19.6%	49.6%	273 200	294 709	315 372	7.0%	49.4%
Community development	36 933	33 474	34 613	33 141	-3.5%	8.4%	39 806	42 116	44 559	10.4%	6.9%
Economic development and management planning	29 225	30 887	37 252	35 587	6.8%	7.9%	40 874	43 245	45 753	8.7%	7.2%
Governance, intergovernmental relations and international relations	19 970	26 636	30 168	31 590	16.5%	6.4%	57 464	59 724	63 294	26.1%	9.1%
Municipal institutional development	41 302	43 610	46 697	50 340	6.8%	10.9%	53 114	56 195	59 454	5.7%	9.5%
Municipal infrastructure and services	38 392	38 785	42 335	44 188	4.8%	9.8%	52 241	54 212	57 357	9.1%	9.0%
Municipal finance	19 361	21 396	32 613	45 190	32.6%	6.8%	50 912	53 866	56 991	8.0%	9.0%
Total	335 793	386 546	468 554	497 552	14.0%	100.0%	567 611	604 067	642 780	8.9%	100.0%

Statements of historical financial performance and position

Table 4.46 South African Local Government Association statements of historical financial performance and position

	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13	2013/14	2014/15	2015/16	
R thousand									
Revenue									
Non-tax revenue	313 544	336 296	377 291	384 120	410 964	469 394	460 691	469 589	106.2%
Sale of goods and services other than capital assets	311 590	310 515	358 278	368 273	399 182	444 153	443 178	454 947	104.3%
<i>of which:</i>									
Sales by market establishment	311 590	310 515	358 278	368 273	399 182	444 153	443 178	454 947	104.3%
Other non-tax revenue	1 954	25 781	19 013	15 847	11 782	25 241	17 513	14 642	162.2%
Transfers received	34 313	35 338	33 391	33 682	27 294	33 342	28 275	28 225	105.9%
Total revenue	347 857	371 634	410 682	417 802	438 258	502 736	488 966	497 814	106.2%
Expenses									
Current expenses	326 458	335 790	403 084	386 546	438 258	468 554	497 552	497 552	101.4%
Compensation of employees	167 677	175 312	188 159	195 910	218 672	226 091	263 972	263 972	102.7%
Goods and services	153 697	154 677	210 106	184 613	213 490	233 928	223 807	223 807	99.5%
Depreciation	3 690	4 643	3 350	5 070	4 218	7 430	7 842	7 842	130.8%
Interest, dividends and rent on land	1 395	1 161	1 469	953	1 878	1 105	1 931	1 931	77.2%
Total expenses	326 458	335 793	403 084	386 546	438 258	468 554	497 550	497 552	101.4%
Surplus/(Deficit)	21 399	35 841	7 598	31 256	-	34 182	(8 586)	262	-
Statement of financial position									
Carrying value of assets	17 765	29 550	15 501	30 960	13 313	31 113	14 200	34 081	206.8%
Acquisition of assets	(3 070)	(5 095)	(6 800)	(8 547)	(2 680)	(7 480)	(9 079)	(9 420)	141.2%
Investments	-	831	-	1 060	-	1 069	-	1 028	-
Receivables and prepayments	26 942	35 151	21 422	30 128	15 193	37 950	20 725	31 250	159.6%
Cash and cash equivalents	16 794	55 689	46 244	116 498	75 774	154 449	79 260	187 546	235.8%
Total assets	61 501	121 221	83 167	178 646	104 280	224 581	114 185	253 905	214.3%
Accumulated surplus/(deficit)	21 527	43 803	42 598	90 540	(3 966)	124 721	81 816	155 581	292.1%
Capital and reserves	-	2 260	2 260	2 260	2 260	2 260	2 260	2 260	133.3%
Capital reserve fund	-	6 280	-	4 779	-	1 791	-	-	-
Finance lease	4 888	8 464	4 502	3 829	4 489	4 837	4 695	7 472	132.5%
Deferred income	4 489	4 818	4 449	3 868	4 409	2 065	4 369	2 193	73.1%
Trade and other payables	30 291	54 934	29 067	72 717	28 058	79 690	20 725	84 166	269.6%
Provisions	306	662	291	653	306	9 217	320	2 233	1 043.8%
Total equity and liabilities	61 500	121 221	83 167	178 646	35 556	224 581	114 185	253 905	264.4%

Statements of estimates of financial performance and position

Table 4.47 South African Local Government Association statements of estimates of financial performance and position

	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R thousand								
Revenue								
Non-tax revenue	469 589	11.8%	92.5%	516 928	550 500	589 489	7.9%	92.0%
Sale of goods and services other than capital assets	454 947	13.6%	87.9%	492 746	525 669	563 815	7.4%	88.2%
<i>of which:</i>								
Sales by market establishment	454 947	13.6%	87.9%	492 746	525 669	563 815	7.4%	88.2%
Other non-tax revenue	14 642	-17.2%	4.7%	24 182	24 831	25 674	20.6%	3.8%
Transfers received	28 225	-7.2%	7.5%	50 850	54 150	53 450	23.7%	8.0%
Total revenue	497 814.0	10.2%	100.0%	567 778	604 650	642 939	8.9%	100.0%

Table 4.47 South African Local Government Association statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand									
Expenses									
Current expenses		497 552	14.0%	100.0%	567 611	604 067	642 780	8.9%	143.6%
Compensation of employees		263 972	14.6%	51.0%	297 180	321 410	343 244	9.1%	53.0%
Goods and services		223 807	13.1%	47.2%	259 665	271 267	287 485	8.7%	45.1%
Depreciation		7 842	19.1%	1.5%	8 733	9 240	9 776	7.6%	1.5%
Interest, dividends and rent on land		1 931	18.5%	0.3%	2 033	2 150	2 275	5.6%	0.4%
Total expenses		497 552	14.0%	100.0%	567 611	604 067	642 780	8.9%	100.0%
Surplus/(Deficit)		262	(1)	-	167	583	159	-15.3%	-
Statement of financial position									
Carrying value of assets		34 081	4.9%	17.2%	88 548	102 608	127 332	55.2%	24.9%
of which:									
Acquisition of assets		(9 420)	22.7%	-4.0%	(63 214)	(75 500)	(104 500)	123.0%	-17.2%
Investments		1 028	7.3%	0.5%	1 028	1 028	1 028	-	0.3%
Receivables and prepayments		31 250	-3.8%	18.8%	26 500	30 075	27 750	-3.9%	8.9%
Cash and cash equivalents		187 546	49.9%	63.4%	190 622	236 568	276 392	13.8%	66.0%
Total assets		253 905	27.9%	100.0%	306 698	370 279	432 502	19.4%	100.0%
Accumulated surplus/(deficit)		155 581	52.6%	50.9%	215 995	286 603	354 970	31.6%	72.8%
Capital and reserves		2 260	-	1.3%	2 260	2 260	2 260	-	0.7%
Finance lease		7 472	-4.1%	3.6%	7 993	8 268	8 654	5.0%	2.4%
Deferred income		2 193	-23.1%	2.0%	2 329	2 464	2 607	5.9%	0.7%
Trade and other payables		84 166	15.3%	38.7%	75 749	68 175	61 357	-10.0%	22.6%
Provisions		2 233	50.0%	1.5%	2 372	2 509	2 654	5.9%	0.7%
Total equity and liabilities		253 905	27.9%	100.0%	306 698	370 279	432 502	38.5%	100.0%

Personnel information**Table 4.48 South African Local Government Association personnel numbers and cost by salary level¹**

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
South African Local Government Association		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	512	512	493	226.1	0.5	512	264.0	0.5	544	297.2	0.5	552	321.4	0.6	552	343.2	0.6	9.1%	100.0%
1 - 6	78	78	51	53.9	1.1	78	8.6	0.1	83	10.0	0.1	83	10.7	0.1	83	11.4	0.1	9.9%	15.1%
7 - 10	252	252	410	169.0	0.4	252	103.3	0.4	267	117.3	0.4	274	127.7	0.5	274	136.4	0.5	9.7%	49.4%
11 - 12	133	133	32	3.2	0.1	133	90.7	0.7	144	103.1	0.7	145	111.8	0.8	145	119.4	0.8	9.6%	26.2%
13 - 16	48	48	-	-	-	48	57.4	1.2	49	62.4	1.3	49	66.7	1.4	49	71.2	1.5	7.5%	9.0%
17 - 22	1	1	-	-	-	1	4.0	4.0	1	4.3	4.3	1	4.6	4.6	1	4.9	4.9	6.9%	0.2%

1. Rand million.

Additional tables

Table 4.A Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Conditional grants to provinces							
National Disaster Management Centre							
Provincial disaster grant	850	93 630	85 951	103 194	111 545	123 432	130 591
Total	850	93 630	85 951	103 194	111 545	123 432	130 591
Conditional grants to municipalities							
Regional and Urban Development and Legislative Support							
Municipal demarcation transition grant	-	-	-	39 000	297 422	111 856	52 900
Institutional Development							
Municipal infrastructure grant	13 879 162	14 224 447	14 745 445	14 955 762	14 914 028	15 991 252	16 893 685
Municipal systems improvement grant	-	-	-	-	-	-	-
National Disaster Management Centre							
Municipal disaster grant	73 180	170 714	121 483	261 149	269 922	300 281	317 697
Municipal disaster recovery grant	-	118 340	190 102	188 900	140 000	-	-
Local Government Support and Intervention Management							
Community Work Programme							
Total	13 952 342	14 513 501	15 057 030	15 444 811	15 621 372	16 403 389	17 264 282

1. Detail provided in the Division of Revenue Act (2016).

Table 4.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation		Medium-term expenditure estimate		
				2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Municipal infrastructure grant transfer	Eradicate the backlog in municipal infrastructure by providing basic services to poor households	Various	83 958 256	13 879 162	14 224 447	14 745 445	14 955 762	14 914 028	15 991 252	16 893 685
Total			83 958 256	13 879 162	14 224 447	14 745 445	14 955 762	14 914 028	15 991 252	16 893 685

Table 4.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate	
							2012/13	2013/14		2014/15	2016/17
R thousand											
Foreign In cash											
European Union	Masibambane	Administration	April 2009 - March 2010	31 778	Goods and services	Support the municipal urban renewal programme	1 628	7	-	9 600	-
European Union	Public participation and empowerment	Administration	September 2008 - November 2011	39 585	Goods and services	Expand and strengthen community based participation in local government	101	-	-	-	-
United Kingdom Department for International Development	Community work programme	Administration	June 2010 - March 2016	15 000	Goods and services	Implement the community work programme	1 222	1 591	-	-	-
Foreign in kind											
Deutsche Gesellschaft für Internationale Zusammenarbeit	Local government support programme	Administration	January 2009 - March 2012	104 563	Goods and services	Support the process of administrative decentralisation in South Africa, consolidating the role of local institutions in democratisation and peace	37 657	315	-	-	-
Italy	Decentralisation and local development policies in South Africa	Administration	April 2007 - March 2009	45 145	Goods and services	Support the process of administrative decentralisation in South Africa, consolidating the role of local institutions in democratisation and peace	10 944	1 177	-	-	-
Total				236 071			51 552	3 090	9 600	-	-

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

40 Church Square, Pretoria, 0002 | Private Bag X115, Pretoria, 0001 | T (012) 395 6697, F (012) 315 5126



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