

VOTE 11

Traditional and Local Government Affairs

Operational budget	R 454 541 000
MEC remuneration	R 607 000
Total amount to be appropriated	R 455 148 000
Responsible MEC	Nkosi N. J. Ngubane, Minister of Traditional and Local Government Affairs
Administrating department	Department of Traditional and Local Government Affairs
Accounting officer	Acting Head: Traditional and Local Government Affairs

1. Overview

Vision

The vision of the Department of Traditional and Local Government Affairs is *Prosperous and Harmonious Communities*, or *Intuthuko Emphakathini*.

Mission statement

The Department of Traditional and Local Government Affairs will foster good governance and promote sustainable development in KwaZulu-Natal through traditional and local government structures. This is underpinned by a professional approach, based on the *Batho Pele* principles.

Strategic objectives

The department has set the following strategic objectives:

- Sound corporate services;
- Accountable and sustainable traditional institutions; and
- Accountable and sustainable local governance.

Core functions

The department is responsible for carrying out the following core functions:

- The provision of corporate services;
- The facilitation of accountable and sustainable local governance;
- The facilitation of accountable and sustainable traditional institutions;
- The promotion of integrated development and planning; and
- The promotion of sustainable urban and rural development.

Legislative mandate

The legislative, functional and policy mandates of the department are found in the Constitution of South Africa, the Public Finance Management Act (PFMA) and several other Acts, including the following:

- The KwaZulu Amakhosi and Iziphakanyiswa Act, No. 9 of 1990
- KwaZulu Act on the code of Zulu Law Act, No. 16 of 1985
- The KZN House of Traditional Leaders Act, No. 7 of 1994
- Ingonyama Trust Act, No. 3 of 1994

- Municipal Systems Act, No. 32 of 2000
- Municipal Structures Act, No. 117 of 1998
- Development Facilitation Act, No. 67 of 1995
- Less Formal Township Establishment Act, No. 113 of 1991
- Upgrading of Land Tenure Rights Act, No. 112 of 1991
- KwaZulu-Land Affairs Act, No. 11 of 1992
- Town Planning Ordinance 27 of 1949
- KwaZulu-Natal Integrated Rural Development White Paper (IRD)
- Disaster Management Act, No. 57 of 2000
- Local Government Transition Act, No. 209 of 1993
- Water Services Act, No. 47 of 1997
- Transfer of Staff to Municipalities Act, No. 17 of 1998
- Cemeteries and Crematoria Act, No. 12 of 1996
- Municipal Demarcation Act, No. 27 of 1998
- Local Authorities Ordinance, No. 25 of 1974
- *Umsekele* Municipal Support Services Ordinance, No. 20 of 1941 (Proclamation 26)
- Water Services Ordinance, No. 27 of 1963
- Preferential Procurement Policy Framework, Act No. 5 of 2000
- KwaZulu-Natal Joint Municipal Pension Fund Ordinance, No. 27 of 1994

Challenges and developments

The transformation of both traditional and local government institutions requires continuous monitoring, assessment and review of the legislative and policy environment. Most policy changes have a direct impact on the demand for capacity building and support programmes, as well as the resource needs of traditional and local government institutions. Moreover, the forthcoming national and provincial elections are likely to pose challenges or disruptions to service delivery, which may place additional demands on the department.

It is predicted that the severe drought, currently impinging on service delivery in the province, will intensify, which means that the department will have to provide support to the municipalities in implementing a drought relief programme. In addition, predicted lower-than-average rainfall figures are likely to create conditions conducive to a resurgence of cholera.

The increased death toll associated with the incidence of HIV/AIDS and related diseases poses a challenge to local government in so far as the availability of land for cemeteries is concerned. A study to investigate and recommend programmes to enhance existing infrastructure for this purpose is currently underway.

The Communal Land Rights Bill as well as the Traditional Leadership and Governance Framework Bill 2003 will have an impact on the services of the department if they become law, as the department will be expected to provide data, maps and plans showing areas of jurisdiction of the traditional communities, recorded land rights and the underlying cadastral properties.

The department is facing tremendous challenges in the development and implementation of the legislative framework for local government. Closer co-operative relations with all spheres of government are required through the establishment and management of structures to encourage participation, collaboration and integration of efforts. The financial viability of most municipalities is compromised by a range of factors including a lack of effective procedures and systems, lack of municipal financial skills, limited financial resources, poor management and decision making, etc. The department intends to research and develop measures to address these problem areas. Support programmes must be developed to implement the Property Rates and Municipal Finance Management Acts and assist municipalities to implement adequate credit control and support mechanisms and structures, as well as a more efficient system of debt collection.

The department continues to contribute significantly towards the growth, development and prosperity of people and communities in the province. An ongoing challenge is the need to involve the corporate sector, other government departments, and commercial and civil society in the process of urban renewal and rural developments. It is acknowledged that municipalities alone cannot achieve the goals of poverty alleviation, and the collaboration of all spheres of government and empowered role-players is vital.

2. Review of the current financial year – 2003/04

The department made significant progress towards achieving its strategic objectives during the 2003/04 financial year. Firstly, a position paper was drafted on Traditional Leadership and Governance, to serve as the basis for the drafting of provincial legislation on traditional leadership. Furthermore, a programme was developed to assist traditional authorities to develop land use management schemes for traditional authority areas, and to clarify the roles and responsibilities in this regard between municipalities and traditional authorities. Implementation of this programme has commenced.

A functional model was developed and piloted for the transformation of existing traditional courts to traditional administrative centres, as a result of the growing demand for accommodation from other government departments wanting to bring their services to deep and remote rural areas.

The department conducted 32 training and capacity building workshops during 2003/04, where a range of accredited training modules were presented to traditional leaders, *izinduna* and traditional administrative personnel. Also, traditional authorities were assisted and advised on the investment potential of rural areas, involvement and engagement with private investors, as well as participating in national programmes of commercialisation of state owned forests, nature reserves and mining activities.

The department facilitated the implementation of the assignment of municipal powers and functions within the required legal time-frame, and provided extensive support to municipalities in this process. However, the development of a provincial legal and policy framework for local government is on hold, pending the finalisation of the Municipal Finance Management Act. Likewise, the Property Rates Bill was not promulgated in 2003/04 as anticipated, and the municipal support programme was therefore postponed.

Municipalities were given assistance in 2003/04 with regard to the development of infrastructure through the management of the consolidated municipal infrastructure programme, which is a targeted municipal assistance programme aimed at promoting financial sustainability and a municipal capacity support programme, to provide adequate human resource support for municipalities to function effectively. In addition, assistance in the form of capacity building was given to all 61 municipalities, in respect of reviewing and implementing their Integrated Development Plans (IDPs).

The department also provided technical and financial assistance to municipalities for the development of land use management systems, and improved development information management systems. Also, the first draft of new land use management legislation was compiled for the province. Finally, the department succeeded in providing and facilitating drought relief assistance to those districts experiencing a severe drought in the province.

3. Outlook for the coming financial year – 2004/05

In 2004/05, the department aims to assist in the achievement of the provincial strategic goals and objectives by focussing its activities on the following initiatives:

The department plans to draft a Provincial Bill on Traditional Leadership Institutions in 2004/05, and ensure that the required steps are taken to accommodate the introduction of the Traditional Leadership and Governance Framework Bill and the Communal Land Rights Bill.

Continued support and management will be given to the Integrated Sustainable Rural Development and Urban Renewal Programmes. Likewise, the programme regarding the transformation of traditional courts to traditional administrative centres will be continued, in an attempt to enhance co-operative governance, service delivery, local economic development, local job creation and the eradication of poverty. The 2004/05 financial year will also see a continuation of the programme to assist traditional authorities to develop land use management plans for traditional authority areas.

The development of a Provincial Local Government White Paper will be one of the initiatives undertaken in 2004/05. The department will continue to provide municipal support, and to co-ordinate municipal capacity building programmes relating to general municipal management, financial management, infrastructure development, disaster management and development planning. Various measures will be developed and implemented to address the lack of administrative and financial procedures and systems, the lack of

municipal financial skills, credit control, debt collection and revenue enhancement strategies. Compliance monitoring of municipalities will be ongoing, as will be the continued support given to municipalities in the development of infrastructure and the roll-out of free basic services.

The enactment of the National Property Rates, Municipal Finance Management and Intergovernmental Relations Bills in 2004 will have a major impact on the department. The above legislation dictates that the monitoring and support roles will intensify in the process of finalising the transformation of local government. In compliance with the existing legislative framework, which prescribes for the management of powers and functions, interdepartmental monitoring, and ensuring municipal accountability, the department is gearing itself to provide support through an extensive range of operational activities and programmes. Municipalities will also require substantial support in terms of determining appropriate service delivery mechanisms.

In the process of dealing with service delivery in municipalities, the challenge will be to address the tremendous backlog in infrastructure. The geographic terrain in KwaZulu-Natal hampers municipalities' task of complying with national norms and standards set for access to water. The department intends to launch a pilot study in 2004/05 to look into alternative sources of water, including rain water and fog harvesting. Other initiatives taking place in 2004/05 include the development and implementation of a provincial community development workers programme, as well as the finalisation of a provincial Disaster Management Plan.

The department will continue to support municipalities in the implementation of IDP-linked performance management systems, land use management systems, development administration systems and information management systems. It is envisaged that the KwaZulu-Natal Land Use and Management Bill will be finalised in 2004/05, and an implementation programme will be developed with regard to this new legislation, that will repeal all existing provincial land use and planning legislation.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 11.1 below gives the sources of funding for the Department of Traditional and Local Government Affairs for the period under review. The table also compares actual and budgeted receipts against actual and budgeted payments. The historical figures clearly show that the department has consistently under-spent its budget. Further, the department is projecting an under-expenditure of R55,7 million in 2003/04. The budget for 2004/05 shows a substantial decrease, due to the Local Government Support conditional grant and Provincial Infrastructure conditional grant decreasing in 2004/05 and ceasing altogether from the 2005/06 financial year onwards.

Table 11.1: Summary of receipts and financing

R000	Outcome			Adjusted budget 2003/04	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Provincial allocation	277,300	346,905	351,102	381,861	381,861	399,616	423,593	449,009
Conditional grants	151,097	39,427	74,806	76,771	76,771	55,532	8,900	9,434
<i>R 293 Towns</i>	<i>94,158</i>							
<i>Municipal Finance Assistance Grant</i>	<i>5,805</i>							
<i>Project Viability : Management Support</i>	<i>9,300</i>							
<i>Flood Disaster Reconstruction Grant</i>	<i>41,834</i>	<i>4,800</i>						
<i>Provincial Infrastructure Grant</i>		<i>10,227</i>	<i>19,867</i>	<i>30,017</i>	<i>30,017</i>	<i>14,129</i>	-	-
<i>Local Government Support</i>		<i>24,400</i>	<i>26,450</i>	<i>38,880</i>	<i>38,880</i>	<i>33,050</i>		
<i>Consolidated Municipal Infrastructure Programme</i>			<i>28,489</i>	<i>7,874</i>	<i>7,874</i>	<i>8,353</i>	<i>8,900</i>	<i>9,434</i>
Total	428,397	386,332	425,908	458,632	458,632	455,148	432,493	458,443
Total payments	421,846	373,284	381,331	512,936	476,421	455,148	432,493	458,443
Surplus/(Deficit) before financing	6,551	13,048	44,577	(54,304)	(17,789)	-	-	-
Financing								
<i>of which</i>								
Provincial roll-overs	27,903	17,000	13,019	54,304	54,304			
Provincial cash resources		39						
Suspension to ensuing year								
Surplus/(deficit) after financing	34,454	30,087	57,596	-	36,515	-	-	-

4.2 Departmental receipts collection

Table 11.2 below shows departmental receipts. The Department of Traditional and Local Government Affairs generates minimal revenue. The department can only accurately project revenue for three items, namely rental of state properties, parking and transport of officials. The bulk of the revenue generated each year by the department relates mainly to loss control and miscellaneous revenue items, which are difficult to project. In prior financial years, the department did not cater for loss control and miscellaneous revenue items in its revenue estimates, and this accounts for the low figure reflected against the 2003/04 Adjusted Estimate column. The projections for the MTEF period include estimates for loss control and miscellaneous revenue items, based on prior years' actual expenditure.

Annexure to Vote 11 – Traditional and Local Government Affairs provides details of departmental receipts.

Table 11.2: Details of departmental receipts

R000	Outcome			Adjusted budget 2003/04	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Tax receipts	-	-	-	-	-	-	-	-
Non-tax receipts	4,349	3,903	3,510	209	3,254	3,496	3,702	3,908
Sale of goods and services other than capital assets	4,272	3,700	3,217	209	2,946	3,081	3,242	3,406
Fines, penalties and forfeits	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	77	203	293	-	308	415	460	502
Transfers received	-	-	-	-	-	-	-	-
Sales of capital assets	2	6	1	-	-	-	-	-
Financial transactions	-	-	-	-	-	-	-	-
Total	4,351	3,909	3,511	209	3,254	3,496	3,702	3,908

5. Payment summary

This section summarises the payments and budgeted estimates for the vote in terms of programmes and economic classification in the new economic reporting format. Details according to economic classification are presented in *Annexure to Vote 11 – Traditional and Local Government Affairs*.

5.1 Programme summary

With effect from 2004/05, the programme structure of the department is aligned to the generic format for the Local Government sector, as required by the National Treasury. The exception is Programme 5: Urban and Rural Development, which was created at the request of this department, with the approval of both the Provincial and National Treasury. The new structure differs from the 2003/04 structure as follows:

Programme 1: Administration is now a consolidation of the old programmes 1 and 4 (Administration and Auxiliary and Associated Services). Previously, programme 1 comprised two sub-programmes, Minister and Management. Programme 4 comprised a single sub-programme, Provincial Motor Transport. The new programme 1 comprises the following two sub-programmes: Office of the MEC and Corporate Services.

Programme 2: Local Governance is the equivalent of the old sub-programme Local Government, which was previously included under Programme 3: Local Government and Development Planning.

Programme 3: Planning and Development is made up of the old sub-programme Development Planning, which previously was a sub-programme of Programme 3: Local Government and Development Planning.

Programme 4: Traditional Institutional Management was programme 2 in the old structure, comprising 3 sub-programmes, namely, Traditional Affairs Administration, Traditional Land Administration and Rural Development Facilitation. Traditional Institutional Management is now programme 4 in the new format.

Rural Development Facilitation, which formerly was a sub-programme of Programme 2, now becomes **Programme 5: Urban and Rural Development**.

Table 11.3 below presents a summary of the spending trends of the department over the period 2000/01 to 2006/07.

Table 11.3: Summary of payments and estimates by programme

Outcome			Adjusted budget	Estimated actual	Medium-term estimates			
Audited	Audited	Audited			2003/04	2004/05	2005/06	2006/07
R000	2000/01	2001/02	2002/03					
1. Administration	54,370	72,178	78,609	96,955	96,955	101,389	106,565	113,556
2. Local Governance	258,871	161,473	154,294	192,753	174,293	153,568	133,306	139,606
3. Development and Planning	33,174	42,411	50,951	62,481	62,481	63,951	67,788	71,855
4. Traditional Institutional Management	49,871	57,247	59,786	71,909	71,909	78,105	78,286	84,086
5. Urban and Rural Development	25,560	39,975	37,691	88,838	70,783	58,135	46,548	49,340
Total	421,846	373,284	381,331	512,936	476,421	455,148	432,493	458,443

Note: Programme 1 includes MEC remuneration payable as from 1 April 2003. Salary: R485,412. Car allowance: R121,353

5.2 Summary of economic classification

Table 11.4 below summarises payments and budgeted estimates per economic classification. It is anticipated that there will be savings of approximately R27 million against *Compensation of employees* at the end of 2003/04. This is because, despite the substantial restructuring that was undertaken during the year and resultant increases in the number of staff in all Chief Directorates, it was not possible to fill all existing vacant posts, due to compliance with Resolution 7 of 2002.

The budget for the *Payment for capital assets* increased in 2003/04, as a result of additional funding for the Provincial Infrastructure conditional grant in that year (including a roll-over from 2002/03), and funding for the traditional administrative centres in the traditional areas. However, the Provincial Infrastructure conditional grant, which is allocated to the construction and upgrading of traditional administrative centres, decreases substantially in 2004/05 and will fall away in the two outer years of the MTEF period.

The transfer payments to *Umsekeli* and the Provincial Planning and Development Commission are located under *Transfers* and *Subsidies to Other*.

Table 11.4: Summary of payments and estimates by economic classification

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	276,118	217,262	248,077	304,990	287,860	315,164	319,709	341,116
Compensation of employees	233,167	134,790	137,634	182,029	163,569	179,493	190,517	201,433
Goods and services	42,951	82,472	110,443	122,961	124,291	135,671	129,192	139,683
Other	-	-	-	-	-	-	-	-
Transfers and subsidies to:	137,203	139,322	100,272	125,485	125,485	108,945	97,234	100,380
Local government	100,720	91,801	78,395	102,327	102,327	84,571	72,612	75,342
Non-profit institutions	-	-	-	-	-	-	-	-
Households	3,586	2,461	1,963	-	-	-	-	-
Other	32,897	45,060	19,914	23,158	23,158	24,374	24,622	25,038
Payments for capital assets	8,525	16,700	32,982	82,461	63,076	31,039	15,550	16,947
Buildings and other fixed structures	-	37	15,047	60,164	40,779	8,808	50	50
Machinery and equipment	8,525	16,663	17,935	22,297	22,297	22,231	15,500	16,897
Other	-	-	-	-	-	-	-	-
Total	421,846	373,284	381,331	512,936	476,421	455,148	432,493	458,443

5.3 Summary of infrastructure expenditure and estimates

Table 11.5 below illustrates infrastructure spending of the department. There is no evident trend, with spending on infrastructure fluctuating over the seven years. The substantial increase of some R28 million in 2003/04 is as a result of an increase in the Provincial Infrastructure conditional grant allocation, as well as a rollover of R13 million from 2002/03 for this grant. Expenditure was low in 2002/03, mainly due to the adjustment in expenditure *modus operandi*, emanating from the parliamentary resolution passed in April 2002 prohibiting the transfer of funds to the Tribal Levies Trust Account. In the outer years, the infrastructure budget decreases dramatically, as a result of the discontinuation of the Provincial Infrastructure conditional grant.

The main focus of the Provincial Infrastructure conditional grant is rural development, with the aim of transforming traditional courts into functional traditional administrative centres, to bring government services closer to the people. It is intended that the administrative centres for each traditional authority include information technology equipment in the form of a photocopier, fax machine, computer, etc; adequate sanitation facilities; security infrastructure such as burglar-guarding and fencing; office furniture geared towards more efficient customer service; telephonic and fax communication; and electrification.

The 2004/05 allocation of R6,458 million includes an amount of R50,000 in respect of the imminent construction of the Chamber for the House of Traditional Leaders.

Table 11.5: Summary of infrastructure expenditure and estimates

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
New constructions (Buildings and infrastructure)	3,350	17,184	1,418	18,655	18,655	6,458	50	50
Rehabilitation/upgrading	4,741	3,407	10,394	9,492	9,492	2,250	-	-
Other capital projects	5,356	5,113	6,349	18,477	18,477	2,545	-	-
Total	13,447	25,704	18,161	46,624	46,624	11,253	50	50

5.4 Transfers to public entities

Table 11.6 below reflects the payments made to two Schedule 3 provincial public entities, namely *Umsekeli*, and the Provincial Planning and Development Commission. The KwaZulu-Natal House of Traditional Leaders does not receive a transfer or subsidy from the department.

Table 11.6: Summary of departmental transfers to public entities

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited					
	2000/01	2001/02	2002/03					
				2003/04	2004/05	2005/06	2006/07	
Umsekeli	17,600	17,600	17,600	20,600	20,600	17,600	17,600	17,600
Provincial Planning and Development Commission	1,850	1,751	2,314	2,558	2,558	4,962	5,097	5,403
Total	19,450	19,351	19,914	23,158	23,158	22,562	22,697	23,003

5.5 Transfers to local government

Table 11.7 hereunder reflects a summary of transfers made to municipalities. Details are given in the *Annexure to Vote 11 – Traditional and Local Government Affairs*. The transfers to the various municipalities relate to funds provided by the Local Governance, Planning and Development and Urban and Rural Development programmes. A breakdown of the amounts allocated over the MTEF is as follows:

R'000	2004/05	2005/06	2006/07
Local Governance:	39,742	31,412	31,797
Municipal Infrastructure:	15,031	9,000	12,500
Planning and Development:	18,445	20,166	21,376
Urban and Rural Development:	11,3	12,031	9,669
Total:	84,571	72,612	75,342

Table 11.7: Summary of departmental transfers to local government by category

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited					
	2000/01	2001/02	2002/03	2003/04		2004/05	2005/06	2006/07
	Category A	-	265	400	16,533	16,533	1,210	1,100
Category B	-	47,910	38,327	51,573	51,573	47,751	44,418	52,806
Category C	-	38,989	35,668	5,876	5,876	35,610	27,094	21,477
Total	-	87,164	74,395	73,982	73,982	84,571	72,612	75,342

6. Programme description

6.1 Programme 1: Administration

This programme is dedicated to supporting the Ministry and providing all other support services rendered within the department, as well as the financial management of the department. Programme 1 consists of two sub-programmes, namely Office of the MEC and Corporate Services.

Tables 11.8 and 11.9 below summarise payments and estimates for this programme from 2000/01 and 2006/07. This programme shows a consistent increase from 2004/05 onwards, owing to provision being made for the filling of 24 additional posts, including those of the Head of Department and DDG: Traditional Affairs. Furthermore, there has been a substantial increase in costs related to the management and maintenance of the departmental information systems, and additional funding has been provided for services rendered by SITA.

Once again, a contingency fund is included within the Corporate Services sub-programme to manage HIV/AIDS in the workplace, as well as the Employee Assistance Programme. Funding includes the provision of immune boosting medication for the continued well-being of HIV infected employees.

The provision of funds for the purchase of official vehicles, which was previously catered for in Programme 4: Auxiliary and Associated Services, is now included in programme 1.

Table 11.8: Summary of payments and estimates: Programme 1

Outcome			Adjusted budget	Estimated actual	Medium-term estimates			
Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06	2006/07
R000								
Office of the MEC	2,349	2,943	3,164	3,654	3,654	3,316	3,496	3,666
Corporate Services	52,021	69,235	75,445	93,301	93,301	98,073	103,069	109,890
Total	54,370	72,178	78,609	96,955	96,955	101,389	106,565	113,556

Table 11.9: Summary of payments and estimates by economic classification: Programme 1

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	48,770	61,012	68,936	81,790	81,790	89,819	95,627	101,828
Compensation of employees	38,942	37,348	38,386	47,141	47,141	52,780	55,765	59,292
Goods and services	9,828	23,664	30,550	34,649	34,649	37,039	39,862	42,536
Other	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	533	563	599
Local government	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	533	563	599
Payments for capital assets	5,600	11,166	9,673	15,165	15,165	11,037	10,375	11,129
Buildings and other fixed structures	-	37	180	680	680	-	-	-
Machinery and equipment	5,600	11,129	9,493	14,485	14,485	11,037	10,375	11,129
Other	-	-	-	-	-	-	-	-
Total	54,370	72,178	78,609	96,955	96,955	101,389	106,565	113,556

6.2 Programme 2: Local Governance

The purpose of Programme 2 is to implement an institutional, administrative and financial municipal framework, and to provide a municipal infrastructure framework. The programme consists of six sub-programmes, namely:

Municipal Administration: To provide management and support services to local government within a regulatory framework and to support municipalities in the delivery of services;

Municipal Finance: To support municipalities to be financially accountable and sustainable;

Disaster Management: To ensure establishment of effective and efficient disaster management mechanisms;

Municipal Infrastructure: To support municipal infrastructure development;

Municipal Training Co-ordination: To co-ordinate municipal training; and

Provincial Municipal Support Services: To fund the public entity *Umsekele* Municipal Support.

Tables 11.10 and 11.11 below give a summary of payments and estimates for programme 2 for the period 2000/01 to 2006/07.

The decrease in the Municipal Finance and Municipal Infrastructure budgets from 2004/05 onwards is as a result of the discontinuation of the Local Government Support conditional grant.

The budget of the Disaster Management component shows an increase in 2003/04 and 2004/05. Funds are provided under this sub-programme for the purchase of tents, blankets and provisions in the event of a disaster occurring. This sub-programme also includes the Civil Protection grant, which is aimed at assisting municipalities to provide for disaster management structures, in line with the Disaster Management Act.

The category *Transfers and Subsidies Other* includes transfer payments made to municipalities, as well as the *Umsekele* public entity. Transfers to municipalities are aimed at assisting the smaller municipalities, in particular, with regard to providing indigent support and free basic services.

The difference between the 2003/04 Adjusted Estimates and the 2003/04 Estimated Actual expenditure relates to savings on personnel expenditure, specifically to retrenchment packages for the remaining R293 staff, as well as salaries of R293 staff who left the Chief Directorate: Local Government after the 2003/04 budget had been compiled.

Table 11.10: Summary of payments and estimates: Programme 2

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Municipal Administration	112,741	108,773	17,796	16,072	16,072	18,921	19,167	20,328
Municipal Finance	127,530	34,000	102,370	101,236	82,776	81,993	69,002	73,152
Disaster Management	1,000	1,100	1,109	3,409	3,409	5,085	3,981	4,219
Municipal Infrastructure			15,419	51,436	51,436	28,457	21,954	22,609
Municipal Training Co-ordination						1,512	1,602	1,698
Provincial Municipal Support Services	17,600	17,600	17,600	20,600	20,600	17,600	17,600	17,600
Total	258,871	161,473	154,294	192,753	174,293	153,568	133,306	139,606

Table 11.11: Summary of payments and estimates by economic classification: Programme 2

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Current payments	147,281	66,247	73,603	87,908	69,448	79,382	73,501	75,861
Compensation of employees	137,571	50,830	45,950	63,105	44,645	51,715	53,412	56,265
Goods and services	9,710	15,417	27,653	24,803	24,803	27,667	20,089	19,596
Other	-	-	-	-	-	-	-	-
Transfers and subsidies to:	111,313	94,591	79,905	103,772	103,772	72,895	58,552	62,465
Local government	93,713	76,991	62,305	83,172	83,172	54,773	40,412	44,297
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	17,600	17,600	17,600	20,600	20,600	18,122	18,140	18,168
Payments for capital assets	277	635	786	1,073	1,073	1,291	1,253	1,280
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	277	635	786	1,073	1,073	1,291	1,253	1,280
Other	-	-	-	-	-	-	-	-
Total	258,871	161,473	154,294	192,753	174,293	153,568	133,306	139,606

Service delivery measures

Table 11.12 below illustrates some of the main service delivery measures pertaining to Programme 2: Local Governance.

Table 11.12: Service delivery measures – Programme 2: Local Governance

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
1. To provide and facilitate the implementation of a legislative and policy framework in respect of local government	<ul style="list-style-type: none"> No of policies guidelines and legislation formulated No of capacity building programmes implemented % of municipalities subjected to a compliance audit 	8 3 new	4 4 33
2. To monitor and support municipalities to achieve and maintain financial viability	<ul style="list-style-type: none"> No of policies and guidelines formulated No of capacity building programmes implemented % of progress made i.r.o. development of monitoring tool No of municipalities captured on the monitoring system 	new new new new	3 4 75% 61
3. To support municipal infrastructure development	<ul style="list-style-type: none"> No of policies and guidelines formulated No of capacity building programmes implemented No. of municipal infrastructure (basic services) assessments No. of programme management units 	2 new 0 0	4 1 13 4
4. To facilitate effective and efficient disaster management mechanisms	<ul style="list-style-type: none"> Development of a provincial disaster management framework and institutional structures Development of district disaster management plans No of district disaster management institutional structures No of reviewed disaster management plans No of capacity building programmes Implemented 	new new new new new	1 10 5 10 1
5. To co-ordinate municipal	<ul style="list-style-type: none"> No of policies and guidelines to be determined No of training courses co-ordinated 	1 targets to be set	0 targets to be set
6. To support municipalities in the delivery of services	<ul style="list-style-type: none"> % implementation of <i>Umsekele</i> Strategic and Business Plan 	100%	100%

6.3 Programme 3: Development and Planning

Table 11.13 below illustrates the split of Programme 3: Development and Planning between its six sub-programmes, namely: Management, Spatial Planning, Development Administration and Land Use Management, Integrated Development Planning, Development Information Services and the Provincial Planning and Development Commission. The strategic objectives of the sub-programmes are:

- To promote sound management of the programme;
- To promote and facilitate provincial spatial frameworks for development at municipal level;
- To promote effective and efficient integrated development planning;
- To promote orderly development in the province;
- To promote informed development decision making in KZN; and
- To render professional support to the Provincial Planning and Development Commission.

One of the main aims of this programme is to assist municipalities in the preparation of their spatial frameworks, in order to guide and manage development, as well as in preparing appropriate Land Use Management Systems, in line with municipal IDPs. Under this programme, assistance is also provided to municipalities to perform development administration functions, by way of a programme of capacity building of staff and councillors. The department intends to make available a geographic information system service to each municipality, particularly for the management of the IDP and its implementation in each municipality. In this regard, a district information management system has been developed and is to be rolled out to district municipalities on a programmed basis.

No major policy changes are envisaged for the 2004/05 period. However, the implementation of the new legislation on land use and management in the province, together with the strengthening of the municipal capacity building initiatives, mean that additional funding is required. Because of the limited budget allocation for the current and succeeding years, and because of the excessive demand by municipalities for support in the development planning functions, external resources are being accessed to supplement the limited budget allocation. To this end, arrangements have been made with the Development Bank of Southern Africa for donor funding to support the department's development planning initiatives.

Table 11.14 details payments and estimates as per the new economic classification. Transfers to the Provincial Planning and Development Commission are included under *Transfers and Subsidies Other*.

Table 11.13: Summary of payments and estimates: Programme 3

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Management	2,844	3,597	4,399	5,531	5,531	5,469	5,817	6,166
Spatial Planning	4,725	7,488	8,124	9,428	9,428	10,310	10,400	11,024
Development Admin & Land Use Management	7,183	8,141	9,097	12,195	12,195	11,871	13,202	13,994
Integrated Development Planning	7,089	11,233	12,186	14,293	14,293	15,466	15,601	16,537
Development Information Services	7,612	8,583	11,966	15,215	15,215	14,698	16,117	17,084
Provincial Planning & Dev Commission	3,721	3,369	5,179	5,819	5,819	6,137	6,651	7,050
Total	33,174	42,411	50,951	62,481	62,481	63,951	67,788	71,855

Table 11.14: Summary of payments and estimates by economic classification: Programme 3

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Current payments	23,589	24,713	30,691	38,785	38,785	38,528	40,478	42,906
Compensation of employees	17,817	17,904	19,834	25,093	25,093	27,075	28,176	29,866
Goods and services	5,772	6,809	10,857	13,692	13,692	11,453	12,302	13,040
Other	-	-	-	-	-	-	-	-
Transfers and subsidies to:	8,857	16,561	18,404	21,713	21,713	23,680	25,548	27,081
Local government	7,007	14,810	16,090	19,155	19,155	18,445	20,166	21,376
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	1,850	1,751	2,314	2,558	2,558	5,235	5,382	5,705
Payments for capital assets	728	1,137	1,856	1,983	1,983	1,743	1,762	1,868
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	728	1,137	1,856	1,983	1,983	1,743	1,762	1,868
Other	-	-	-	-	-	-	-	-
Total	33,174	42,411	50,951	62,481	62,481	63,951	67,788	71,855

Service delivery measures

Table 11.15 below illustrates some of the main service delivery measures pertaining to Programme 3.

Table 11.15: Service delivery measures – Programme 3: Development and Planning

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
1. To promote and facilitate municipal spatial framework for development	<ul style="list-style-type: none"> No of policies, guidelines and legislation formulated No of capacity building programmes implemented No of municipal land use management systems facilitated 	1 new 9	1 1 25
2. To promote orderly development	<ul style="list-style-type: none"> No of policies, guidelines and legislation formulated No of capacity building programmes implemented 	1 draft bill 1	1 1
3. To promote effective and efficient integrated development planning	<ul style="list-style-type: none"> No of policies, guidelines and legislation formulated No of capacity building programmes implemented No of reviewed municipal IDP's assessed annually No of municipal performance management systems facilitated Annual report of municipal performance (S47 of Municipal Systems Act) submitted by MEC timeously No of IDP's reviewed 	1 1 61 9 1 61	1 1 61 40 1 61
4. Informed development decision making in KZN	<ul style="list-style-type: none"> Number of municipal GIS capacity building business plans in implementation (anticipated maximum of 20) 	10	13
5. Render professional support to the Provincial Planning and Development Commission (PPDC)	<ul style="list-style-type: none"> % of implementation of Service Level Agreement (SLA) 	100% SLA with Commission in place	100% compliance with SLA

6.4 Programme 4: Traditional Institutional Management

This programme consists of three sub-programmes, namely Traditional Institutional Administration, the House of Traditional Leaders and Traditional Land Administration. The main services to be delivered this programme are as follows:

- To rationalise the legislative framework on traditional leadership governance. This entails the finalisation and implementation of provincial legislation on traditional leadership and institutions, and preparation of the KZN position paper on traditional leadership and institutions.
- To provide financial support of traditional authorities, payment of tribal secretary salaries and empowerment of traditional authorities to comply with PFMA and the Labour Relations Practices Act.
- To render support to the House of Traditional Leaders, including the implementation of strategies and business plans and funding the erection of the Chamber for the House of Traditional Leaders.
- To manage and register traditional land rights. This includes the granting of land rights, resolution of land disputes, preparation of land use plans, and the demarcation and adjudication of land rights.

Tables 11.16 and 11.17 below summarise payments and estimates relating to Programme 4 for the financial years 2000/01 to 2006/07. The restructuring of the Chief Directorate of Traditional Affairs Administration, which includes the staff who support the House of Traditional Leaders, has resulted in increases of R5,8 million between 2002/03 and 2003/04, and R4,9 million between 2003/04 and 2004/05.

The Traditional Land Administration Chief Directorate entered into an agreement with *Umsekele* to provide survey services in the traditional areas, which mainly accounts for the increases in *Goods and services*.

Table 11.16: Summary of payments and estimates: Programme 4

Table 11.10: Summary of payments and estimates: Programme 1								
R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Traditional Institutional Administration	37,386	38,589	41,517	46,107	46,107	52,239	50,882	54,024
House of Traditional Leaders	380	706	3,145	4,413	4,413	3,194	3,372	4,588
Traditional Land Administration	12,105	17,952	15,124	21,389	21,389	22,672	24,032	25,474
Total	49,871	57,247	59,786	71,909	71,909	78,105	78,286	84,086

Table 11.17: Summary of payments and estimates by economic classification: Programme 4

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
Current payments	44,839	51,905	55,668	67,682	67,682	75,833	76,393	81,757
Compensation of employees	28,351	19,028	21,298	28,405	28,405	30,035	34,446	36,391
Goods and services	16,488	32,877	34,370	39,277	39,277	45,798	41,947	45,366
Other	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3,586	2,461	1,963	-	-	303	348	368
Local government	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	3,586	2,461	1,963	-	-	-	-	-
Other	-	-	-	-	-	303	348	368
Payments for capital assets	1,446	2,881	2,155	4,227	4,227	1,969	1,545	1,961
Buildings and other fixed structures	-	-	-	1,580	1,580	50	50	50
Machinery and equipment	1,446	2,881	2,155	2,647	2,647	1,919	1,495	1,911
Other	-	-	-	-	-	-	-	-
Total	49,871	57,247	59,786	71,909	71,909	78,105	78,286	84,086

Service delivery measures

Table 11.18 below illustrates some of the main service delivery measures pertaining to Programme 4.

Table 11.18: Service delivery measures – Programme 4: Traditional Institutional Management

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
1. To manage institutional administrative and financial framework of Traditional Institutions	<ul style="list-style-type: none"> No. of policies, guidelines and legislation formulated and implemented No. of capacity building programmes developed and implemented 	1 3	5 3
2. To manage and register traditional land rights	<ul style="list-style-type: none"> No of policies, guidelines and guidelines formulated and implemented No of capacity building programmes on LUMS implemented No of Land Use Management Plans (LUMS) developed 	2 1 27	2 1 50
3. Render support to House of Traditional Leaders	<ul style="list-style-type: none"> % of implementation of strategic and business plans 	100%	100%

6.5 Programme 5: Urban and Rural Development

This programme consists of four sub-programmes, namely Rural Connectivity, ISRDP (Integrated Sustainable Rural Development Programme) Institutional Management, Rural Development Partnerships and Urban Renewal. This is a newly created programme emanating from the restructuring of the Chief Directorate: Rural Development Facilitation.

Tables 11.19 and 11.20 below summarise payments and estimates relating to Programme 5 for the financial years 2000/01 to 2006/07. The decrease in 2004/05 is as a result of the Provincial Infrastructure conditional grant decreasing by 60 per cent from the 2003/04 financial year. This grant is to be discontinued with effect from 2005/06, accounting for the further reduction in allocation in the outer years of the MTEF. The increase in *Transfers to local government* relates to expenditure on the Integrated Development Infrastructure (IDI) by municipalities over the MTEF.

The Rural Connectivity Programme entails a capacity building programme, and 25 capital investment projects, which are intended to result in communities gaining increased access to services. The aim of the sub-programme ISRDP Institutional Management is to enhance the institutional management of ISRDP, and the total amount allocated in 2004/05 is for the provision of policy and guidelines.

The Rural Development Partnerships sub-programme includes funding for the formulation of a policy and guideline, 15 corporate social investments and 10 integrated development infrastructure projects, aimed at strategic growth and development. The Urban Renewal sub-programme caters for the promotion of urban renewal programme initiatives, and the formulation of a policy and guideline in respect of the development of monitoring tools.

This programme is striving to create a more focussed and targeted rural funding programme that allows for improved evaluation, more efficient controls and the opportunity to make a greater impact and enhance visibility. This department is guided by the maxim 'fewer but better', rather investing in a few quality project categories which are aligned to the department's goals, and in which resources are focused.

Table 11.19: Summary of payments and estimates: Programme 5

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
				2003/04				
Rural Connectivity	25,560	39,975	37,691	88,838	70,783	19,795	4,731	2,305
ISRDP Institutional Management						12,638	12,226	14,763
Rural Development Partnerships						17,046	21,083	23,275
Urban Renewal						8,656	8,508	8,997
Total	25,560	39,975	37,691	88,838	70,783	58,135	46,548	49,340

Table 11.20: Summary of payments and estimates by economic classification: Programme 5

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	11,639	13,385	19,179	28,825	30,155	31,602	33,710	38,764
Compensation of employees	10,486	9,680	12,166	18,285	18,285	17,888	18,718	19,619
Goods and services	1,153	3,705	7,013	10,540	11,870	13,714	14,992	19,145
Other	-	-	-	-	-	-	-	-
Transfers and subsidies to:	13,447	25,709	-	-	-	11,534	12,223	9,867
Local government	-	-	-	-	-	11,353	12,034	9,669
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Other	13,447	25,709	-	-	-	181	189	198
Payments for capital assets	474	881	18,512	60,013	40,628	14,999	615	709
Buildings and other fixed structures	-	-	14,867	57,904	38,519	8,758	-	-
Machinery and equipment	474	881	3,645	2,109	2,109	6,241	615	709
Other	-	-	-	-	-	-	-	-
Total	25,560	39,975	37,691	88,838	70,783	58,135	46,548	49,340

Service delivery measures

Table 11.21 below illustrates some of the main service delivery measures pertaining to Programme 5.

Table 11.21: Service delivery measures – Programme 5: Urban and Rural Development

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
1. To facilitate Rural Connectivity Programme	• No of policies and guidelines formulated	0	3
	• No of capacity building programmes implemented	0	1
	• No of capital investment projects implemented in rural areas	9	25
2. To enhance Institutional management of ISRDP	• No of policies and guidelines formulated	0	1
	• % of progress made i.r.o. development of monitoring tool	35%	60%
3. To manage Rural Development Partnerships	• No of policies and guidelines formulated	0	1
	• No of Corporate Social Investments secured	9	15
	• No of Integrated Development Infrastructure projects funded	5	10
4. To promote Urban Renewal Initiatives	• No of policies and guidelines formulated	1	1
	• % of progress made i.r.o development of monitoring tool	25%	40%

7. Other programme information

7.1 Personnel numbers and costs

Table 11.22 below reflects personnel information per programme.

The number of employees in the Local Governance programme of the department declines between 31 March 2000 and 31 March 2004. This is a result of the department's ongoing initiative to encourage the remaining staff of the former R293 towns to accept voluntary severance packages and employment offers from municipalities and other government departments. The department hopes to arrange retrenchment packages for those remaining staff members, once the restrictions placed by Resolution No. 7 of the Department of Public Service Administration are lifted at the end of June 2004.

Table 11.22: Personnel numbers and costs

Personnel numbers	As at 31 March 2000	As at 31 March 2001	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005
Programme 1: Administration	387	394	406	364	405	415
Programme 2: Local Governance	3,010	2,413	700	495	362	403
Programme 3 : Development & Planning	159	161	147	149	179	210
Programme 4 : Traditional Institutional Managment	222	219	285	277	308	331
Programme 5 : Urban & Rural Development	35	86	84	99	166	166
Total	3,813	3,273	1,622	1,384	1,420	1,525
Total personnel cost (R thousand)	265,365	233,167	134,790	137,634	182,029	179,493
Unit cost (R thousand)	70	71	83	99	128	118

7.2 Training

Table 11.23 reflects departmental expenditure on training per programme. In compliance with requirements of the Skills Development Act that an amount at least equal to 1 per cent of the personnel budget is spent on training each year, the department has budgeted R 3,389 million for this purpose in 2003/04.

Table 11.23: Expenditure on training

	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
R000								
Programme 1: Administration	435	682	1,264	1,390	1,390	1,142	1,221	1,301
Programme 2: Local Governance	490	470	400	320	320	337	371	389
Programme 3 : Development & Planning	159	364	433	708	708	801	819	868
Programme 4 : Traditional Institutional Managment	414	322	408	538	538	835	943	963
Programme 5 : Urban & Rural Development	162	224	414	433	433	80	82	87
Total	1,660	2,062	2,919	3,389	3,389	3,195	3,436	3,608

ANNEXURE TO VOTE 11 – TRADITIONAL AND LOCAL GOVERNMENT AFFAIRS

Table 11.A: Details of departmental receipts

R000	Outcome			Adjusted budget 2003/04	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Tax receipts	-	-	-	-	-	-	-	-
Casino taxes								
Motor vehicle licenses								
Horseracing								
Other taxes								
Non-tax receipts	4,349	3,903	3,510	209	3,254	3,496	3,702	3,908
Sale of goods and services other than capital asset	4,272	3,700	3,217	209	2,946	3,081	3,242	3,406
Sales of goods and services produced by dept.	4,272	3,700	3,217	209	2,946	3,081	3,242	3,406
Sales by market establishments								
Administrative fees								
Other sales	4,272	3,700	3,217	209	2,946	3,081	3,242	3,406
Of which								
Rent for Parking	12	17	52		38	40	41	42
Housing Rent Recoveries	204	203	217		289	293	298	303
Transport of Officers	7	9	11		12	13	13	13
Other	4,049	3,471	2,937	209	2,607	2,735	2,890	3,048
Sales of scrap, waste, arms and other used current goods (excluding capital assets)								
Fines, penalties and forfeits								
Interest, dividends and rent on land	77	203	293	-	308	415	460	502
Interest	77	203	293		308	415	460	502
Dividends								
Rent on land								
Transfers received from:	-	-	-	-	-	-	-	-
Other governmental units								
Universities and technikons								
Foreign governments								
International organisations								
Public corporations and private enterprises								
Households and non-profit institutions								
Sales of capital assets	2	6	1	-	-	-	-	-
Land and subsoil assets	2	6	1					
Other capital assets								
Financial transactions								
Total	4,351	3,909	3,511	209	3,254	3,496	3,702	3,908

Table 11.B: Details of payments and estimates by economic classification

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	276,118	217,262	248,077	304,990	287,860	315,164	319,709	341,116
Compensation of employees	233,167	134,790	137,634	182,029	163,569	179,493	190,517	201,433
Salaries and wages	206,279	112,792	116,175	150,042	135,274	151,451	160,651	170,031
Social contributions	26,888	21,998	21,459	31,987	28,295	28,042	29,866	31,402
Goods and services	42,951	82,472	110,443	122,961	124,291	135,671	129,192	139,683
Interest and rent on land	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-
Transfers and subsidies to:	137,203	139,322	100,272	125,485	125,485	108,945	97,234	100,380
Local government	100,720	91,801	78,395	102,327	102,327	84,571	72,612	75,342
Municipalities	100,720	91,801	78,395	102,327	102,327	84,571	72,612	75,342
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	32,897	45,060	19,914	23,158	23,158	24,374	24,622	25,038
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	32,897	45,060	19,914	23,158	23,158	24,374	24,622	25,038
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	3,586	2,461	1,963	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-
Other transfers to households	3,586	2,461	1,963	-	-	-	-	-
Payments for capital assets	8,525	16,700	32,982	82,461	63,076	31,039	15,550	16,947
Buildings and other fixed structures	-	37	15,047	60,164	40,779	8,808	50	50
Buildings	-	37	15,047	60,164	40,779	8,808	50	50
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	8,525	16,663	17,935	22,297	22,297	22,231	15,500	16,897
Transport equipment	3,975	5,779	5,098	8,041	8,041	4,325	6,202	5,640
Other machinery and equipment	4,550	10,884	12,837	14,256	14,256	17,906	9,298	11,257
Cultivated assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Total	421,846	373,284	381,331	512,936	476,421	455,148	432,493	458,443

Table 11.C: Details of payments and estimates by economic classification - Programme 1

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2004/05	2005/06	2006/07
Current payments	48,770	61,012	68,936	81,790	81,790	89,819	95,627	101,828
Compensation of employees	38,942	37,348	38,386	47,141	47,141	52,780	55,765	59,292
Salaries and wages	32,891	31,032	31,990	40,325	40,325	43,659	46,303	49,345
Social contributions	6,051	6,316	6,396	6,816	6,816	9,121	9,462	9,947
Goods and services	9,828	23,664	30,550	34,649	34,649	37,039	39,862	42,536
of which								
Remuneration of Amakhosi								
Consultants & Special Services	2,744	4,443	6,774	5,121	5,121	4,287	4,833	5,296
Computer Services	622	1,374	5,523	5,396	5,396	7,997	8,793	10,355
other	6,462	17,847	18,253	24,132	24,132	24,755	26,236	26,885
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
Transfers and subsidies to:	-	-	-	-	-	533	563	599
Local government	-	-	-	-	-	-	-	-
Municipalities								
Municipal agencies and funds								
Departmental agencies and accounts	-	-	-	-	-	533	563	599
Social security funds								
Entities receiving funds						533	563	599
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
Payments for capital assets	5,600	11,166	9,673	15,165	15,165	11,037	10,375	11,129
Buildings and other fixed structures	-	37	180	680	680	-	-	-
Buildings		37	180	680	680			
Other fixed structures								
Machinery and equipment	5,600	11,129	9,493	14,485	14,485	11,037	10,375	11,129
Transport equipment	3,975	5,779	5,098	8,041	8,041	4,325	6,202	5,640
Other machinery and equipment	1,625	5,350	4,395	6,444	6,444	6,712	4,173	5,489
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Total	54,370	72,178	78,609	96,955	96,955	101,389	106,565	113,556

Table 11.D: Details of payments and estimates by economic classification - Programme 2

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	147,281	66,247	73,603	87,908	69,448	79,382	73,501	75,861
Compensation of employees	137,571	50,830	45,950	63,105	44,645	51,715	53,412	56,265
Salaries and wages	125,373	43,409	40,002	50,911	36,143	45,366	46,762	49,245
Social contributions	12,198	7,421	5,948	12,194	8,502	6,349	6,650	7,020
Goods and services	9,710	15,417	27,653	24,803	24,803	27,667	20,089	19,596
of which								
Remuneration of Amakhosi								
Consultants & Special Services	7,546	11,400	24,894	20,445	20,445	18,918	16,284	15,564
Computer Services								
other	2,164	4,017	2,759	4,358	4,358	8,749	3,805	4,032
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
Transfers and subsidies to:	111,313	94,591	79,905	103,772	103,772	72,895	58,552	62,465
Local government	93,713	76,991	62,305	83,172	83,172	54,773	40,412	44,297
Municipalities	93,713	76,991	62,305	83,172	83,172	54,773	40,412	44,297
Municipal agencies and funds								
Departmental agencies and accounts	17,600	17,600	17,600	20,600	20,600	18,122	18,140	18,168
Social security funds								
Entities receiving funds	17,600	17,600	17,600	20,600	20,600	18,122	18,140	18,168
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
Payments for capital assets	277	635	786	1,073	1,073	1,291	1,253	1,280
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings								
Other fixed structures								
Machinery and equipment	277	635	786	1,073	1,073	1,291	1,253	1,280
Transport equipment								
Other machinery and equipment	277	635	786	1,073	1,073	1,291	1,253	1,280
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Total	258,871	161,473	154,294	192,753	174,293	153,568	133,306	139,606

Table 11.E: Details of payments and estimates by economic classification - Programme 3

				Outcome		Programme 2		
	Audited	Audited	Audited	Adjusted	Estimated	Medium-term estimates		
R000	2000/01	2001/02	2002/03		actual			
				2003/04		2004/05	2005/06	2006/07
Current payments	23,589	24,713	30,691	38,785	38,785	38,528	40,478	42,906
Compensation of employees	17,817	17,904	19,834	25,093	25,093	27,075	28,176	29,866
Salaries and wages	14,176	14,897	16,603	20,538	20,538	22,385	23,266	24,662
Social contributions	3,641	3,007	3,231	4,555	4,555	4,690	4,910	5,204
Goods and services	5,772	6,809	10,857	13,692	13,692	11,453	12,302	13,040
of which								
Remuneration of Amakhosi								
Consultants & Special Services	4,373	3,543	6,819	7,476	7,476	5,610	5,871	6,223
Computer Services								
other	1,399	3,266	4,038	6,216	6,216	5,843	6,431	6,817
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
Transfers and subsidies to:	8,857	16,561	18,404	21,713	21,713	23,680	25,548	27,081
Local government	7,007	14,810	16,090	19,155	19,155	18,445	20,166	21,376
Municipalities	7,007	14,810	16,090	19,155	19,155	18,445	20,166	21,376
Municipal agencies and funds								
Departmental agencies and accounts	1,850	1,751	2,314	2,558	2,558	5,235	5,382	5,705
Social security funds								
Entities receiving funds	1,850	1,751	2,314	2,558	2,558	5,235	5,382	5,705
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
Payments for capital assets	728	1,137	1,856	1,983	1,983	1,743	1,762	1,868
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings								
Other fixed structures								
Machinery and equipment	728	1,137	1,856	1,983	1,983	1,743	1,762	1,868
Transport equipment								
Other machinery and equipment	728	1,137	1,856	1,983	1,983	1,743	1,762	1,868
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Total	33,174	42,411	50,951	62,481	62,481	63,951	67,788	71,855

Table 11.F: Details of payments and estimates by economic classification - Programme 4

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	44,839	51,905	55,668	67,682	67,682	75,833	76,393	81,757
Compensation of employees	28,351	19,028	21,298	28,405	28,405	30,035	34,446	36,391
Salaries and wages	25,209	15,416	17,432	23,453	23,453	25,089	28,611	30,279
Social contributions	3,142	3,612	3,866	4,952	4,952	4,946	5,835	6,112
Goods and services	16,488	32,877	34,370	39,277	39,277	45,798	41,947	45,366
of which								
Remuneration of Amakhosi	9,625	19,461	22,298	21,892	21,892	23,751	23,000	24,000
Consultants & Special Services	3,297	6,815	5,341	8,057	8,057	10,962	8,882	10,371
Computer Services								
Other	3,566	6,601	6,731	9,328	9,328	11,085	10,065	10,995
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
Transfers and subsidies to:	3,586	2,461	1,963	-	-	303	348	368
Local government	-	-	-	-	-	-	-	-
Municipalities								
Municipal agencies and funds								
Departmental agencies and accounts	-	-	-	-	-	303	348	368
Social security funds								
Entities receiving funds						303	348	368
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	3,586	2,461	1,963	-	-	-	-	-
Social benefits								
Other transfers to households	3,586	2,461	1,963					
Payments for capital assets	1,446	2,881	2,155	4,227	4,227	1,969	1,545	1,961
Buildings and other fixed structures	-	-	-	1,580	1,580	50	50	50
Buildings				1,580	1,580	50	50	50
Other fixed structures								
Machinery and equipment	1,446	2,881	2,155	2,647	2,647	1,919	1,495	1,911
Transport equipment								
Other machinery and equipment	1,446	2,881	2,155	2,647	2,647	1,919	1,495	1,911
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Total	49,871	57,247	59,786	71,909	71,909	78,105	78,286	84,086

Table 11.G: Details of payments and estimates by economic classification - Programme 5

R000	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
Current payments	11,639	13,385	19,179	28,825	30,155	31,602	33,710	38,764
Compensation of employees	10,486	9,680	12,166	18,285	18,285	17,888	18,718	19,619
Salaries and wages	8,630	8,038	10,148	14,815	14,815	14,952	15,709	16,500
Social contributions	1,856	1,642	2,018	3,470	3,470	2,936	3,009	3,119
Goods and services	1,153	3,705	7,013	10,540	11,870	13,714	14,992	19,145
of which								
Remuneration of Amakhosi								
Consultants & Special Services	142	1,877	3,784	7,113	8,443	8,967	9,708	13,419
Computer Services	17	2	42	46	46	23	28	28
Other	994	1,826	3,187	3,381	3,381	4,724	5,256	5,698
Interest and rent on land	-	-	-	-	-	-	-	-
Interest								
Rent on land								
Financial transactions in assets and liabilities								
Unauthorised expenditure								
Transfers and subsidies to:	13,447	25,709	-	-	-	11,534	12,223	9,867
Local government	-	-	-	-	-	11,353	12,034	9,669
Municipalities						11,353	12,034	9,669
Municipal agencies and funds								
Departmental agencies and accounts	13,447	25,709	-	-	-	181	189	198
Social security funds								
Entities receiving funds	13,447	25,709				181	189	198
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions								
Households	-	-	-	-	-	-	-	-
Social benefits								
Other transfers to households								
Payments for capital assets	474	881	18,512	60,013	40,628	14,999	615	709
Buildings and other fixed structures	-	-	14,867	57,904	38,519	8,758	-	-
Buildings			14,867	57,904	38,519	8,758	-	-
Other fixed structures								
Machinery and equipment	474	881	3,645	2,109	2,109	6,241	615	709
Transport equipment								
Other machinery and equipment	474	881	3,645	2,109	2,109	6,241	615	709
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Total	25,560	39,975	37,691	88,838	70,783	58,135	46,548	49,340

Table 11.H: Detailed expenditure for infrastructure (capital)

Category / Type of structure	Programme	No. of Projects	Total Cost	Medium-term estimates		
				2004/05	2005/06	2006/07
R000						
New constructions (Buildings and infrastructure)		4	6,558	6,458	50	50
Chamber for the House of Traditional Leaders	5	1	150	50	50	50
Traditional Administrative Centres	5	3	6,408	6,408	-	-
Rehabilitation/upgrading		3	2,250	2,250	-	-
Traditional Administrative Centres	5	3	2,250	2,250	-	-
Other capital projects		33	2,545	2,545	-	-
Provision of electricity	5	5	920	920	-	-
IT infrastructure	5	28	1,625	1,625	-	-
Total		40	11,353	11,253	50	50

Table 11.1: Transfer to Municipalities

Category	Name of Municipality	Outcome			Adjusted budget	Estimated actual	Medium-term estimates		
		Audited 2000/01	Audited 2001/02	Audited 2002/03			2003/04	2004/05	2005/06
R thousand									
Category A		0	265	400	16,533	16,533	1,210	1,100	1,059
	eThekweni	0	265	400	16,533	16,533	1,210	1,100	1,059
Category B		0	47,910	38,327	51,573	51,573	47,751	44,418	52,806
	Abaqulusi	0	750	875	1,435	1,435	2,000	1,454	765
	Dannhauser	0	1,271	1,212	254	254	1,760	530	650
	eDumbe	0	1,067	317	504	504	553	805	2,362
	Emnambithi-Ladysmith	0	1,605	3,393	2,038	2,038	960	640	200
	Endumeni	0	1,127	387	525	525	205	434	700
	Greater Kokstad	0	1,148	1,485	1,602	1,602	2,135	714	450
	Hibiscus Coast	0	498	120	406	406	290	1,230	1,330
	Hlabisa	0	775	564	351	351	438	550	2,055
	Imbabazane	0	492	564	541	541	1,268	1,260	1,495
	Impendle	0	791	564	1,425	1,425	1,068	455	1,327
	Indaka	0	662	644	346	346	1,268	1,260	1,920
	Ingwe	0	1,823	251	731	731	498	585	600
	Inyala / Mtubatuba	0	645	1,100	2,440	2,440	1,318	904	665
	Izingolweni	0	806	335	847	847	1,488	1,560	1,320
	Jozini	0	760	495	621	621	438	1,934	2,365
	Khiphinkunzi	0	217	278	648	648	288	610	2,370
	KwaDukuza	0	801	130	2,223	2,223	1,310	340	200
	Kwa Sani	0	1,719	853	1,383	1,383	218	410	350
	KZ5a5	0	1,132	590	1,631	1,631	1,798	825	550
	Mandeni	0	765	1,090	1,464	1,464	1,235	634	450
	Maphumulo	0	920	748	378	378	598	640	2,020
	Matatiele	0	599	438	531	531	368	785	550
	Mbonambi	0	649	295	621	621	1,468	1,230	1,785
	Mkhambathini	0	1,133	421	424	424	268	1,255	1,800
	Mooi Mpofana	0	1,309	1,550	1,488	1,488	768	455	600
	Msunduzi	0	0	300	800	800	939	340	200
	Mthonjaneni	0	405	317	654	654	438	725	585
	Ndwedwe	0	921	718	378	378	258	976	2,497
	Newcastle	0	100	250	800	800	1,089	390	250
	Nkandla	0	719	694	771	771	1,438	1,230	2,485
	Nongoma	0	104	3,388	1,535	1,535	475	836	635
	Nquthu	0	849	944	851	851	518	1,897	2,240
	Ntambanana	0	649	295	621	621	488	550	2,005
	Okhahlamba	0	2,686	935	1,809	1,809	768	705	550
	Richmond	0	621	671	672	672	518	455	725
	Ulundi	0	1,222	900	2,747	2,747	1,955	704	715
	Umdoni	0	4,124	2,368	2,068	2,068	430	741	650
	Umhlabuyalingana	0	775	964	451	451	1,338	1,272	1,135
	uMhlathuze	0	50	50	180	180	789	370	450
	Umlalazi	0	524	250	605	605	690	684	865
	uMngeni	0	2,623	1,654	2,080	2,080	755	909	700
	uMshwathi	0	838	283	1,627	1,627	1,068	455	700
	Umsinga	0	834	464	541	541	1,191	1,260	1,320
	Umtshezi	0	1,168	402	605	605	1,905	2,639	750
	uMuziwabantu	0	1,144	737	1,560	1,560	1,668	485	550
	Umvoti	0	1,087	421	775	775	455	634	665
	Umninene	0	728	295	770	770	1,638	1,580	1,415
	uPhongolo	0	1,187	1,535	2,495	2,495	918	625	665
	Utrecht	0	283	463	674	674	518	455	475
	Vulamehlo	0	805	330	647	647	1,498	2,002	700
Category C		0	38,989	35,668	5,876	5,876	35,610	27,094	21,477
	Amajuba	0	3,565	4,595	876	876	2,329	3,680	1,579
	King Shaka	0	2,641	2,309	530	530	3,494	1,800	1,759
	Sisonke	0	6,228	5,175	780	780	2,909	2,550	1,959
	Ugu	0	2,521	1,415	380	380	3,728	3,203	1,559
	uMgungundlovu	0	1,375	2,042	0	0	2,329	2,780	1,979
	Umkhanyakude	0	10,365	5,151	1,560	1,560	5,693	2,954	2,309
	Umkhanyathi	0	4,270	3,963	500	500	2,700	2,207	3,079
	Uthukela	0	1,384	6,409	0	0	4,429	4,030	3,226
	uThungulu	0	1,875	2,492	600	600	5,114	1,790	2,344
	Zululand	0	4,765	2,117	650	650	2,885	2,100	1,684
Total		0	87,164	74,395	73,982	73,982	84,571	72,612	75,342

