

# VOTE 1

## Office of the Premier

Operational budget	R 341 852 000
Remuneration of the Premier	R 807 000
Total amount to be appropriated	R 342 659 000
Responsible MEC	The Premier, Mr J. S. Ndebele
Administering department	Office of the Premier
Accounting officer	Director-General: Office of the Premier

### 1. Overview

#### Vision

The vision of the Office of the Premier is: *To be the professionally vibrant centre of government in KwaZulu-Natal.*

#### Mission statement

The mission of the department is to support the Premier in carrying out his constitutional and statutory duties. The department fulfils this mission primarily by:

- Professionally executing the departmental mandates;
- Co-ordinating and facilitating macro-provincial and other transversal issues and programmes;
- Promoting co-operative and good governance;
- Providing the highest quality of policy and legal analysis and advice;
- Creating policies relating to regulations, information and legislation; and
- Supporting the Executive branch of the provincial government in initiating and executing provincial laws and policies.

#### Strategic objectives

Based on the mission and mandates, the department identified the following strategic objectives:

- To provide support to the Premier and the Executive Council;
- To co-ordinate and facilitate Human Rights issues;
- To provide legal and advisory support services and provide strategic information technology management, leadership and support;
- To monitor and co-ordinate service delivery by the provincial government as a whole;
- To co-ordinate and facilitate socio-economic development through the monitoring and evaluation of strategic policy implementation;
- To co-ordinate and implement a comprehensive response to the socio-economic impact of HIV and AIDS; and
- To provide strategic direction on human resource management and service delivery.

## **Core functions**

In order to ensure alignment with national and provincial priorities and address the weaknesses identified in service delivery, the roles of the Office of the Premier have been defined as follows:

- To support the Premier as the head of provincial government and Executive Council and its sub-structures, and ensure constitutional and legal compliance;
- To co-ordinate provincial policy and planning;
- To provide provincial leadership and inter-departmental co-ordination;
- To promote and develop relations with other spheres of government;
- To promote co-operative good governance;
- To provide transversal support services for human resource management, communications, information technology and legal services;
- To promote a culture of Human Rights consciousness and gender sensitivity across the province; and
- To create a provincial identity.

## **Legislative mandate**

The Office of the Premier has a pivotal and central position in the KwaZulu-Natal provincial government. The department's key legislative mandates are derived mainly from the following legislation:

- Constitution of the Republic of South Africa, 1996 (schedules 4 and 5 and Chapters 6, 10 and 13)
- Public Service Act, 1994, as amended
- Public Finance Management Act, 1999, as amended
- National Treasury Financial Regulations, 2001, issued in terms of the PFMA
- KwaZulu-Natal Procurement Act, 2001
- Preferential Procurement Policy Framework Act, 2001
- National Youth Commission Act, 1996
- KwaZulu-Natal Youth Commission Act, 2005
- KwaZulu-Natal Commissions Act, 1999
- KwaZulu-Natal Gambling Act, 1996
- KwaZulu-Natal Heritage Act, 1997
- Regulation of Racing and Betting Ordinance, 1957
- Public Service Regulations, 2001
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998

## **2. Review of the 2006/07 financial year**

The Office of the Premier, as the centre of provincial government, is responsible for inter-departmental co-ordination, and for providing strategic guidance to departments with regard to provincial policy priorities. Section 2 provides a review of 2006/07, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

Local Heritage Forums were established and key heritage events were celebrated during 2006/07. Strategic projects implemented include the Bhambatha Uprising Centenary Commemoration, the Mahatma Gandhi's Satyagraha Centenary and the Moses Mabhida Repatriation Celebration. It is envisaged that the procurement phase for the Ophathe Multi-Media Centre, aimed at reclaiming cultural heritage, will be completed by 31 March 2007, and that the project will be completed by December 2007.

Plans are well under-way for the establishment of the Provincial Public Service Training Academy, aimed at addressing the public service skills gap in the province. The old Durban Education College (Dokkies) premises were secured for the academy, and progress was made with the refurbishment thereof.

The department developed the Business Intelligence System during 2006/07. This system is the front-end of the Nerve Centre, a province-wide computerised monitoring and evaluation tool designed to assess the impact of all government programmes in the province. It is envisaged that the assessment phase will be completed by the end of the 2006/07 financial year, and the project is due to be finalised by 2009.

A highlight of the Human Rights calendar was the '16 Days of Activism Campaign'. In addition to planning and co-ordinating the celebration of days that are significant to Human Rights, women, disability and youth, a summit in respect of the elderly was also held.

The 'Government Goes to the People Programme' was implemented, and several *Izimbizo* took place. In addition, the department undertook various awareness campaigns, such as the State of the Province Address and the radio campaign against illegal firearms.

The Office of the Premier is currently rolling out the 2010 soccer strategy, which provides for the co-ordination of soccer development in the province.

A number of projects were undertaken to assist provincial departments with human resource frameworks, customised policies and systems. These included the auditing of human resource legal compliance, and the alignment of various development programmes to the National Qualifications Framework. Six departments were assisted in the acquisition of competency profiling systems, whereas four departments were assisted and guided in the area of organisational arrangements and job evaluation.

A revitalisation and exploration exercise of the Balance Scorecard took place. As co-ordinator of the Balance Scorecard in the province, the department assisted five provincial departments to implement the Balance Scorecard fully, and also oversaw the progress in nine other departments, which are all in different stages of initiation and/or implementation.

A provincial database of socio-economic trends is being developed and research is currently being conducted on an appropriate monitoring and evaluation system. Strategies are being developed to monitor implementation of the Provincial Growth and Development Strategy (PGDS), the National Programme of Action, *Operation Mbo* and science and technology research and development.

Significant progress was made with the finalisation of a Statute book for this province, complying with the Constitution and national legislation.

A draft HIV and AIDS provincial strategy document was produced and presented to Cabinet for approval.

## **3. Outlook for the 2007/08 financial year**

Section 3 looks at the key focus areas of 2007/08, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. In 2007/08 and

over the medium-term, the department will focus on the following priorities in a co-ordinating capacity:

***A caring and democratic government***

The Office of the Premier will work with relevant departments in designing and adopting an organisational culture that is responsive to the broader needs of the citizenry. It is intended that the scope of the Commission that was established to look into political violence will be redesigned to promote rebuilding of communities affected by violence, through the 'Communities in dialogue' programme. The *Izimbizo* programme is an integral part of participatory democracy.

***2010 World Cup***

The department is rolling out the 2010 soccer strategy, which provides for the co-ordination of soccer development in the province. This ranges from establishing a soccer academy, a coaching school, a schools' soccer league, infrastructure development and developing translators in all the international languages in an all inclusive and strategic exercise for the province.

***Identity of the province***

To promote and project a positive image of KwaZulu-Natal and to influence the citizens to take pride in being from this province, the Office of the Premier is, in line with the African Renaissance, reclaiming the province's heritage by managing the establishment of Multi-Media Centres and local heritage forums. The department's efforts are aimed at ensuring integration, coherence and co-ordination of government communication, through a provincial Communication Strategy.

***Protection of human rights***

The department is driving a campaign to protect and generate respect for human rights by facilitating a massive education campaign, co-ordinating human rights issues and ensuring compliance with constitutional mandates.

***Public service transformation***

The Office of the Premier will lead the transformation of the public service sector in the province through the Citizens Charter, the establishment of the Provincial Public Service Training Academy, the province's Fraud and Corruption strategy and the annual strategic review session. The department intends to develop and maintain the Business Intelligence System, which is the front-end of the provincial Nerve Centre. It is envisaged that, once this provincial monitoring and evaluation system has been implemented, the outcomes of strategic policies such as the PGDS, and the impact thereof on socio-economic development, can be measured and managed.

***Prioritised projects***

The department is experiencing tight fiscal constraints and some of the projects listed below have to be phased in over the 2007/08 MTEF period. These projects include the following:

- The filling of vacant posts and operational costs of the Provincial Public Service Training Academy;
- The implementation of the Code of Good Practice and capacitation of *Batho Pele* service delivery champions in provincial departments, as well as restructuring and maintaining the *Batho Pele* forum;
- The roll-out of district offices in the province;
- The roll-out of the Business Intelligence System;
- The co-ordination of provincial communication strategies and provincial government publications;
- The development of a results-based monitoring and evaluation system in the province;
- The establishment of the Religious Affairs component within the department; and
- Construction of office accommodation for the entire department, as well as parking bays for staff.

The department is investigating possible strategic partnerships with the business sector to solicit donations and sponsorships in respect of some of the strategic projects.

**Budget and programme structure**

The department, in collaboration with National Treasury and the other provincial Departments of the Premier, is in the process of implementing a generic financial structure, to provide for a customised, uniform budget and programme structure to facilitate inter-provincial comparability. In line with the directive, generic objectives were developed for programmes and sub-programmes. Accordingly, the department amended its budget structure to conform to the generic structure and has three programmes from 2007/08 onwards, namely Administration, Institutional Development and Policy and Governance.

**4. Receipts and financing****4.1 Summary of receipts and financing**

Table 1.1 below gives the sources of funding used for the Office of the Premier over the seven-year period 2003/04 to 2009/10.

Table 1.1: Summary of receipts and financing

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Provincial allocation	148,406	161,888	218,176	294,740	313,965	313,965	342,659	372,530	400,438
<b>Total receipts</b>	<b>148,406</b>	<b>161,888</b>	<b>218,176</b>	<b>294,740</b>	<b>313,965</b>	<b>313,965</b>	<b>342,659</b>	<b>372,530</b>	<b>400,438</b>
<b>Total payments</b>	<b>146,846</b>	<b>164,536</b>	<b>244,395</b>	<b>294,740</b>	<b>318,965</b>	<b>318,965</b>	<b>342,659</b>	<b>372,530</b>	<b>400,438</b>
Surplus/(Deficit) before financing	1,560	(2,648)	(26,219)	-	(5,000)	(5,000)	-	-	-
Financing									
of which									
Provincial roll-overs	3,760	37,996	33,720	-	5,000	5,000	-	-	-
Provincial cash resources	4,559	2,000	4,400	-	-	-	-	-	-
<b>Surplus/(deficit) after financing</b>	<b>9,879</b>	<b>37,348</b>	<b>11,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

It is evident that, in prior years, the department consistently under-spent, largely due to lack of proper business plans in respect of the KZN Peace and Good Governance Initiative. The roll-overs from 2003/04 to 2004/05 and from 2004/05 to 2005/06 largely relate to this initiative. The provincial allocation in 2006/07 increased by R5 million in the 2006/07 Adjusted Budget, which was rolled over from 2005/06 for Youth Development projects.

An additional allocation was also received in the 2006/07 Adjusted Budget for *Izimbizo* and in respect of legal service fees for service rendered to His Majesty the King, for the period 1995 to 1999. Furthermore, funds were suspended from the Department of Health in terms of transversal functions relating to the Provincial Aids Action Unit.

Given that the budget is projected to increase further over the MTEF from R342,7 million to R400,4 million, there is a need for the department to ensure that proper business and spending plans are in place to spend the full allocation. The department is showing a balanced budget over the 2007/08 MTEF period.

**4.2 Departmental receipts**

Table 1.2 below contains an analysis of departmental receipts per main category. Details of these receipts are presented in Table 1.A in the *Annexure to Vote 1 – Office of the Premier*.

The Office of the Premier collects revenue mainly from casino taxes and levies, bookmakers' tax in respect of horse-racing and gaming, and recoveries in respect of bookmakers' licence renewals. Taxes levied on horse-racing and betting and gaming industries comprise 99 per cent of total revenue collected.

Table 1.2: Details of departmental receipts

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Tax receipts	143,393	157,532	194,055	195,955	215,955	218,272	232,699	248,987	267,661
Non-tax receipts	106	751	1,528	589	589	886	780	828	890
Sale of goods and services other than capital assets	106	863	796	589	589	858	780	828	890
Fines, penalties and forfeits									
Interest, dividends and rent on land	-	(112)	732	-	-	28	-	-	-
Transfers received									
Sales of capital assets	-	16,000	7,709	-	-	5,365	-	-	-
Financial transactions	-	(668)	30	-	-	125	-	-	-
<b>Total</b>	<b>143,499</b>	<b>173,615</b>	<b>203,322</b>	<b>196,544</b>	<b>216,544</b>	<b>224,648</b>	<b>233,479</b>	<b>249,815</b>	<b>268,551</b>

The increase in the *Tax receipts* in the 2006/07 Adjusted Budget is in line with actual trends in revenue collection from the gambling industry.

Due to the rationalisation of the air service, amounts of R16 million, R7,7 million and R5,4 million relating to the sale of aircraft were collected in 2004/05, 2005/06 and 2006/07, respectively, resulting in once-off amounts under *Sales of capital assets* for those years. The revenue collected under the heading *Non-tax receipts* in 2006/07 relates primarily to the collection of housing rent recoveries and recoveries in respect of advertisements placed in the Government Gazette.

The revenue estimates under *Non-tax receipts* for the MTEF period relate to bookmakers and turf clubs' licence renewals, as well as temporary licence fees in respect of temporary bookmaker licenses to persons nominated by the licensed bookmaker to run such business temporarily on his/her behalf.

The main revenue sources of the department, as depicted in *Annexure to Vote 1 – Office of the Premier* are discussed briefly below:

*Tax receipts: Casino levies and taxes* is revenue received in terms of prescribed returns that are submitted on a monthly basis and are collected in accordance with the KwaZulu-Natal Gambling Act of 1996, as amended. A dedicated unit was established within the KwaZulu-Natal Gambling Board to address the issue of illegal gambling operators in 2005/06. As a result of the department's efforts in this regard, actual revenue collection in respect of casino taxes increased significantly in 2005/06. The average increase over the 2007/08 MTEF is slightly higher than inflation, indicative of anticipated growth in the industry.

*Tax receipts: Horse-racing and gaming* is collected in respect of horse-racing and gaming, in terms of the Racing and Betting Ordinance, 1957. An increasing trend in revenue estimates for the period 2006/07 to 2009/10 is anticipated, mainly due to the following initiatives which will potentially stimulate demand:

- Consolidation of the national tote resulting in larger pools and increasing the loyalty of local punters;
- Improved programming and scheduling of racing events;
- Inclusion of sports betting;
- Increased betting on overseas racing; and
- Increased exporting of racing products.

## 5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure to Vote 1 – Office of the Premier*.

## 5.1 Key assumptions

The following general assumptions were made by the department in formulating the 2006/07 budget:

- Salary increases of 6 per cent for 2007/08, and 5 per cent for 2008/09 and 2009/10 were included for the improvement in conditions of service, as well as the annual 1 per cent pay progression;
- Due to budgetary constraints, it is anticipated that the filling of vacant posts will be phased in over the MTEF period, with the majority of the posts under the Provincial Public Service Training Academy being filled in 2007/08; and
- In line with PSCBC Resolution No. 2 of 2004, a phased approach was implemented to extend the non-pensionable housing allowance to a maximum of R403 for all employees in 2007/08.

## 5.2 Additional allocation for the 2005/06 to 2007/08 MTEF

Table 1.3 shows additional funding received by the department over the three MTEF periods: 2005/06, 2006/07 and 2007/08. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of introducing such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The table serves as a reminder of the number of new priorities that are funded on an annual basis – often without the success thereof being monitored from a policy implementation perspective.

The carry-through allocations for the 2005/06 MTEF period (i.e. for the financial years 2008/09 and 2009/10) are based on the incremental percentage used in the 2006/07 MTEF and 2007/08 MTEF. A similar approach was used for the carry-through allocations for the 2006/07 MTEF period.

It is important to explain how this table should be read and interpreted. The total additional funding in any given year shows how much a department received in addition to the increases which already existed in its 2004/05 MTEF baseline. The sum of the total additional provincial allocations across the five financial years shows cumulative amounts received over and above the cumulative baseline budget for that period.

Table 1.3: Summary of additional provincial allocations for 2005/06 to 2009/10

R000	2005/06	2006/07	2007/08	2008/09	2009/10
<b>2005/06 MTEF period <sup>1</sup></b>	<b>54,400</b>	<b>52,500</b>	<b>55,125</b>	<b>58,984</b>	<b>63,408</b>
Heritage	50,000	52,500	55,125	58,984	63,408
2005/06 Adjustments Estimate - Izimbizo	4,400	-	-	-	-
<b>2006/07 MTEF period <sup>2</sup></b>	<b>-</b>	<b>74,950</b>	<b>81,262</b>	<b>92,269</b>	<b>99,189</b>
Secretarial services to Executive Council & key provincial committees		2,600	2,800	3,000	3,225
Soccer development (in & out-of school) in collaboration with SAFA		50,000	55,000	60,000	64,500
Capacitated employees - Provincial Learning Academy		5,000	10,000	15,000	16,125
Gambling - Regulated Gambling Industry		6,350	13,462	14,269	15,339
Additional funding in Adjustments Estimate - Izimbizo and Legal fees		11,000	-	-	-
<b>2007/08 MTEF period <sup>2</sup></b>	<b>-</b>	<b>-</b>	<b>8,560</b>	<b>9,160</b>	<b>9,800</b>
Carry through of 2006/07 Adjustments Estimate - Izimbizo			8,560	9,160	9,800
<b>Total</b>	<b>54,400</b>	<b>127,450</b>	<b>144,947</b>	<b>160,413</b>	<b>172,397</b>
1. Excludes function shift from Education i.r.o. Museum and Amafa aKwaZulu-Natali	17,399	18,466	19,397		
2. Excludes function shift from Health i.r.o HIV and AIDS function		10,000	10,500	11,800	12,700

The department received two noteworthy allocations in both the 2005/06 and 2006/07 MTEF periods, relating to the Heritage functions and soccer development (in-and-out-of-school), respectively.

In the 2007/08 MTEF, the department was allocated additional funding for the *Izimbizo* programme, being the carry-through costs of funding allocated in the 2006/07 Adjustments Estimate.

### 5.3 Summary by programme and economic classification

Tables 1.4 and 1.5 reflect payments and estimates by programme and economic classification. Vote 1 consists of three budget programmes, in accordance with the generic structure developed for the sector. The historical data was adjusted in line with the new programme structure, for comparative purposes. A table reconciling the previous and the new programme structure is provided in Section 7.3.

Table 1.4: Summary of payments and estimates by programme

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
1. Administration	35,714	50,220	71,428	50,854	58,870	60,899	60,243	65,679	72,606
2. Institutional Development	51,144	62,943	69,751	75,227	88,122	90,324	88,146	97,952	104,068
3. Policy and Governance	59,988	51,373	103,216	168,659	171,973	167,742	194,270	208,899	223,764
<b>Total</b>	<b>146,846</b>	<b>164,536</b>	<b>244,395</b>	<b>294,740</b>	<b>318,965</b>	<b>318,965</b>	<b>342,659</b>	<b>372,530</b>	<b>400,438</b>

Note: Programme 1 includes remuneration payable to the Premier: Salary: R645 111. Car allowance R161 278.

Table 1.5: Summary of payments and estimates by economic classification

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
<b>Current payments</b>	<b>120,700</b>	<b>143,234</b>	<b>200,852</b>	<b>258,041</b>	<b>250,348</b>	<b>250,224</b>	<b>281,586</b>	<b>311,648</b>	<b>335,092</b>
Compensation of employees	47,542	58,425	67,911	94,435	78,090	77,539	102,344	110,228	115,739
Goods and services	73,135	84,437	131,936	163,606	172,258	172,660	179,242	201,420	219,353
Other	23	372	1,005	-	-	25	-	-	-
<b>Transfers and subsidies to:</b>	<b>21,703</b>	<b>17,614</b>	<b>35,493</b>	<b>32,090</b>	<b>36,799</b>	<b>37,246</b>	<b>51,739</b>	<b>55,151</b>	<b>59,233</b>
Local government	1,183	970	1,541	1,174	1,177	1,177	5,514	5,804	6,184
Non-profit institutions	695	1,012	14,652	1,088	2,888	2,888	5,627	6,207	6,673
Households	99	80	577	-	129	257	-	-	-
Other	19,726	15,552	18,723	29,828	32,605	32,924	40,598	43,140	46,376
<b>Payments for capital assets</b>	<b>4,443</b>	<b>3,688</b>	<b>8,050</b>	<b>4,609</b>	<b>31,818</b>	<b>31,495</b>	<b>9,334</b>	<b>5,731</b>	<b>6,113</b>
Buildings and other fixed structures	-	-	-	-	7,143	7,143	3,455	45	-
Machinery and equipment	4,372	3,672	8,050	4,389	11,055	10,732	5,648	5,439	5,847
Other	71	16	-	220	13,620	13,620	231	247	266
<b>Total</b>	<b>146,846</b>	<b>164,536</b>	<b>244,395</b>	<b>294,740</b>	<b>318,965</b>	<b>318,965</b>	<b>342,659</b>	<b>372,530</b>	<b>400,438</b>

The significant increase in Programme 1: Administration in 2005/06 can largely be ascribed to an amount of R33,7 million which was rolled over from 2004/05 in respect of the KZN Peace and Good Governance Initiative, furniture and IT infrastructure for the new office building. An additional allocation was also made in 2006/07 towards secretarial services to the Executive Council and key provincial committees. A further amount was allocated in the 2006/07 Adjusted Budget to cover legal fees for services rendered to His Majesty the King for the period 1995 to 1999.

The increase in Programme 2: Institutional Development in 2005/06, and again in the 2006/07 Adjusted Budget, is largely as a result of additional funding for the *Izimbizo* programme. The programme further increases in 2006/07, due to an additional allocation for the establishment of the Provincial Public Service Training Academy.

Programme 3: Policy and Governance increases substantially from 2005/06 onwards. This is mainly due to additional funding for the Multi-Media centres in 2005/06, and for in-and-out-of-school soccer development and operational costs of the KZN Gambling Board in 2006/07. Also, funds were suspended from the Department of Health from 2006/07 onwards for transversal HIV and AIDS functions.

The increase in *Compensation of employees* in the 2006/07 Main Budget can be ascribed to the restructuring that was finalised in 2006/07. However, not all posts were filled as anticipated, accounting for the decrease in the 2006/07 Adjusted Budget and Estimated Actual. The identified savings were utilised to off-set other spending pressures. It is anticipated that filling of posts will be phased in over the 2007/08 MTEF, with the majority of key positions being filled during 2007/08.

The increase in *Goods and services* in 2005/06 is mainly due to the roll-over of funds for the KZN Peace and Good Governance Initiative. The steady rise from 2006/07 onwards is primarily related to additional



funding for the Provincial Public Service Training Academy, in- and out-of-school soccer development and *Izimbizo*, as well as portion of the amount suspended for the transversal HIV and AIDS functions.

*Transfers and subsidies to: Local government* reflects an increase from 2007/08 onwards because of the transfer payment in respect of the Ulundi Airport, whereas the increase in *Transfers and subsidies to: Other* in 2006/07 is due to additional funds allocated to the Gambling Board and the reprioritisation of funding to increase the transfer payment to *Amafa aKwaZulu-Natali*. The further increase over the MTEF relates to the introduction of an annual grant-in-aid payment to the Kwazulu-Natal Youth Commission.

With regard to *Transfers and subsidies to: Non-profit institutions*, the amounts reflected in 2005/06 and 2006/07 relate to various once-off sponsorships and donations made in line with the core functions and/or social responsibilities of the department. The specific recipients are depicted in Table 1.9 below. The MTEF allocations relate to transfers to non-profit organisations in respect of HIV and AIDS.

The allocation for *Buildings and other fixed structures* in the 2006/07 Adjusted Budget can be ascribed to the purchase of a Provincial State Guest House, the construction of the Kwa-Ceza Chapel, as well as the rehabilitation and upgrading of the Provincial Public Service Training Academy. The 2007/08 budget makes provision for minor renovations, whereas a small amount is provided for in 2008/09 for the completion of the Chapel.

The increase in *Machinery and equipment* in 2005/06 is largely due to the acquisition and installation of IT infrastructure and equipment for the Telkom Building. In addition, the 2006/07 Adjusted Budget and Estimated Actual includes provision for the refurbishment of the Cabinet Office, purchase of capital equipment for the Training Academy and replacement of official vehicles. The cost in respect of the Business Intelligence System accounts for the significant increase in the 2006/07 Adjusted Budget against *Payments for capital assets: Other*.

## 5.4 Summary of expenditure by district municipal area

Table 1.6 below summarises departmental spending, excluding operational costs, within district municipal areas. The department's service delivery takes place within the provincial government in the form of co-ordination and/or support activities, which are mostly centralised. Spending occurs mainly within the uMgungundlovu district municipal area, where the bulk of client departments' head offices are located, and most of the co-ordination activities take place.

The expenditure in the eThekweni district municipal area is relatively high compared to the other district municipal areas, mainly due to the fact that the capital infrastructure projects including the guest house and the training academy are occurring in this area. The increase from 2007/08 against the Zululand district municipal area can be ascribed to the construction of Kwa-Ceza Chapel, as well as the transfer to the District Municipality for the management and operations of the airport.

The amounts reflected against the other district municipal areas consist of subsidies to museums, as well as payments to be made for soccer development and heritage.

Table 1.6: Summary of expenditure and estimates by district municipal area

District Municipal Area	Outcome Audited 2005/06	Estimated Actual 2006/07	Medium-term estimates		
			2007/08	2008/09	2009/10
<b>R000</b>					
eThekweni	133	2,118	15,054	18,780	20,188
Ugu	122	3,700	4,144	4,446	4,780
uMgungundlovu	175,478	208,835	186,447	201,999	219,928
Uthukela	204	3,797	4,246	4,553	4,895
Umkhanyathi	158	3,336	3,786	4,061	4,366
Amajuba	61	3,274	3,720	3,990	4,289
Zululand	103	3,282	8,051	8,528	9,112
Umkhanyakude	-	3,212	3,654	3,919	4,213
uThungulu	122	3,336	3,786	4,061	4,366
Ilembe	61	3,274	3,720	3,990	4,289
Sisonke	42	3,262	3,707	3,975	4,273
<b>Total</b>	<b>176,484</b>	<b>241,426</b>	<b>240,315</b>	<b>262,302</b>	<b>284,699</b>

## 5.5 Summary of infrastructure expenditure and estimates

Table 1.7 below summarises the infrastructure expenditure and estimates relating to the department.

Table 1.7: Summary of infrastructure expenditure and estimates

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Capital	-	-	-	-	7,143	7,143	3,455	45	-
New constructions	-	-	-	-	261	261	1,755	45	-
Rehabilitation/upgrading	-	-	-	-	6,882	6,882	1,700	-	-
Other capital projects	-	-	-	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>7,143</b>	<b>7,143</b>	<b>3,455</b>	<b>45</b>	<b>-</b>

The amount reflected against *New constructions* pertains to the construction of the Kwa-Ceza Chapel. It is envisaged that the majority of the capital works will take place in the 2007/08 financial year.

The amount against *Rehabilitation/upgrading* in the 2006/07 Adjusted Budget relates to the acquisition and renovation of the Provincial State Guest House in Hillcrest and the rehabilitation of the former premises of the Durban Education College (Dokkies), which have been secured for the Provincial Public Service Training Academy. It is anticipated that the bulk of the renovations will be completed by the end of 2006/07, and the 2007/08 budget therefore decreases substantially.

## 5.6 Transfers to public entities

The Office of the Premier exercises control over three public entities. These are the KwaZulu-Natal Gambling Board, *Amafa aKwaZulu-Natali* and, from 2007/08, the KwaZulu-Natal Youth Commission.

The main objective of the Gambling Board is to ensure that all gambling authorised in terms of the Act is conducted in a manner that promotes the integrity of the horse-racing, betting and gaming industry. In addition, the Board promotes the province's objective to develop the industry as a vehicle for the promotion of tourism, employment creation and economic development.

In 2004/05, the administration of the public entity *Amafa aKwaZulu-Natali* was transferred from the Department of Education to the Office of the Premier. This statutory body is responsible for administering the heritage conservation on behalf of the provincial government of KwaZulu-Natal. The main objectives of this entity are to promote awareness of the significance and value of cultural heritage resources, while ensuring that cultural heritage management is integrated into economic, social and environmental activities in the province. Furthermore, the entity is responsible for supporting cultural tourism in the province, ensuring conservation and management of the full diversity of cultural heritage resources, including the sustainable and equitable use thereof and public access thereto.

The main objective of the KwaZulu-Natal Youth Commission is to facilitate the implementation of the National Youth Policy in the province. This entity will also be responsible for monitoring and evaluating the protection, promotion and fulfilment of the rights of the youth contained in the Bill of Rights by organs of state in the provincial and local spheres.

Each of the above entities operates as an independent public entity reporting to the Office of the Premier in terms of the prescripts of the Public Finance Management Act, 1999, and Treasury Regulations.

Table 1.8 below illustrates transfers made to these public entities over the seven-year period under review. The increase in the transfer to the KwaZulu-Natal Gambling Board from 2006/07 onwards relates to additional funding for operational costs, as mentioned in Section 5.3 above.

Financial summaries received from the KwaZulu-Natal Gambling Board and *Amafa aKwaZulu-Natali* are presented in *Annexure to Vote 1 – Office of the Premier*.

Table 1.8: Summary of departmental transfers to public entities

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
KwaZulu-Natal Gambling Board	6,750	5,000	5,190	11,851	11,851	11,851	19,238	20,449	21,983
Amafa aKwaZulu-Natali	10,000	10,200	10,644	17,283	17,283	17,283	18,147	19,291	20,738
Kwazulu Natal Youth Commission	-	-	-	-	-	-	2,439	2,572	2,765
<b>Total</b>	<b>16,750</b>	<b>15,200</b>	<b>15,834</b>	<b>29,134</b>	<b>29,134</b>	<b>29,134</b>	<b>39,824</b>	<b>42,312</b>	<b>45,486</b>

## 5.7 Transfers to other entities

Table 1.9 below reflects departmental transfers to other entities. In 2006/07, the department made donations and sponsorships to various organisations, as reflected in the 2006/07 Adjusted Budget and Estimated Actual columns. The *Transfers to Non-profit institutions* as reflected below are transfers to non-profit organisations related to the HIV and AIDS responsibility. However, the specific recipient organisations have not yet been identified for the 2007/08 MTEF period, as funding will be made available to deserving projects, organisations and juristic entities in line with specified criteria.

Table 1.9: Summary of departmental transfers to other entities

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Boy Scout Movement	-	-	6,000	-	-	-	-	-	-
Girls Guide Association	-	-	6,000	-	-	-	-	-	-
Gezibuso Projects	-	-	1,500	-	-	-	-	-	-
Golden Arrows	-	-	2,000	-	-	-	-	-	-
Ghandhi Development Trust	-	-	100	-	-	-	-	-	-
Imvunge Choral Music Association	-	-	50	-	-	-	-	-	-
Sugar Ray Sport	-	-	90	-	-	-	-	-	-
Amasiko Esizwe Trust	-	-	-	-	2,000	2,000	-	-	-
BAT Centre Trust	-	-	-	-	337	337	-	-	-
Disability Education Trust Fund	-	-	-	-	40	40	-	-	-
Mazisi Kunene Foundation Trust	-	-	-	-	100	100	-	-	-
Indimezulu Trust Fund	-	-	-	-	100	100	-	-	-
Isivuno Senkululeko Trust	-	-	-	-	100	100	-	-	-
Organisation (UNESCO)	-	-	-	-	100	100	-	-	-
Sakheshizwe HIV and AIDS Hospice Association	-	-	-	-	450	450	-	-	-
Sensokuhle CBO Network	-	-	-	-	350	350	-	-	-
KwaKristu Umsindisi HIV and AIDS & Poverty Alleviation	-	-	-	-	500	500	-	-	-
Centre of Hope	-	-	-	-	250	250	-	-	-
Nurturing Orphans of AIDS for Humanity	-	-	-	-	250	250	-	-	-
YMCA World Assembly Council	-	-	-	-	350	350	-	-	-
Subsidies to Museums	-	-	912	-	1,088	1,088	1,127	1,207	1,298
Transfers to Non Profit Institutions (HIV and AIDS)	-	-	-	-	-	-	4,500	5,000	5,375
<b>Total</b>	<b>-</b>	<b>-</b>	<b>16,652</b>	<b>-</b>	<b>6,015</b>	<b>6,015</b>	<b>5,627</b>	<b>6,207</b>	<b>6,673</b>

## 5.8 Transfers to local government

Tables 1.10 and 1.11 provide a summary of transfers to municipalities, by category and by grant name. The transfers to categories A, B and *Unallocated* from 2007/08 onwards comprise subsidies to municipalities in respect of Museum Services. The *Unallocated* amount relates to the subsidy which was earmarked for transfer to Matatiele. A decision has not yet been taken as to how this amount will be reallocated over the MTEF. Details per category are provided in *Annexure to Vote 1 – Office of the Premier*.

Category B includes a once-off payment in the 2005/06 financial year in respect of municipal rates towards the initial purchase and transfer costs of the new office building. The municipal rates over the 2007/08 MTEF period will be borne by the Department of Works.

The increase in Category C is in line with a decision that the Office of the Premier must make an annual transfer payment for the MTEF period to the Zululand District Municipality, towards the airport management and operational costs. The last transfer payment will be made in the 2009/10 financial year, as per the agreement reached by the parties.

Table 1.10: Summary of departmental transfers to local government by category

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Category A	127	114	133	124	128	130	132	139	149
Category B	941	754	1,226	988	988	988	998	1,071	1,152
Category C	115	102	182	62	61	59	4,331	4,538	4,823
Unallocated/unclassified	-	-	-	-	-	-	53	56	60
<b>Total</b>	<b>1,183</b>	<b>970</b>	<b>1,541</b>	<b>1,174</b>	<b>1,177</b>	<b>1,177</b>	<b>5,514</b>	<b>5,804</b>	<b>6,184</b>

Table 1.11: Summary of departmental transfers to local government by grant name

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Regional Service Council Levy	120	106	193	62	65	65	-	-	-
Subsidies to Museums	1,063	864	1,102	1,112	1,112	1,112	1,183	1,266	1,361
Municipal Rates	-	-	246	-	-	-	-	-	-
Transfer to Zululand DM iro airport	-	-	-	-	-	-	4,331	4,538	4,823
<b>Total</b>	<b>1,183</b>	<b>970</b>	<b>1,541</b>	<b>1,174</b>	<b>1,177</b>	<b>1,177</b>	<b>5,514</b>	<b>5,804</b>	<b>6,184</b>

The transfer to the Zululand District Municipality over the 2007/08 MTEF is in respect of the Ulundi airport. The airport, previously a provincial fixed asset, as well as the management and operations thereof, will be transferred to the District Municipality with effect 1 April 2007.

## 6. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below. The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure to Vote 1 – Office of the Premier*.

### 6.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight function and in promoting corporate governance.

There are four sub-programmes supporting this programme, namely Premier Support, Executive Council Support, Director-General and Financial Management. The objectives are as follows:

- To provide logistical, administrative and advisory support to the Premier in executing the constitutional mandate and statutory duties;
- To render secretariat support services to the Executive Council, clusters and key provincial committees;
- To provide operational support to the Director-General in strategically managing the province; and
- To provide financial management support and advisory services.

Tables 1.12 and 1.13 below reflect a summary of payments and estimates relating to this programme for the financial years 2003/04 to 2009/10.

Table 1.12: Summary of payments and estimates - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Premier Support	9,684	16,339	16,224	15,631	18,488	20,595	16,083	16,921	17,921
Executive Council Support	2,768	3,005	3,601	6,183	6,788	6,730	6,064	6,453	6,854
Director-General	8,034	8,524	7,275	4,943	7,192	6,903	4,836	5,101	5,393
Financial Management	15,228	22,352	44,328	24,097	26,402	26,671	33,260	37,204	42,438
<b>Total</b>	<b>35,714</b>	<b>50,220</b>	<b>71,428</b>	<b>50,854</b>	<b>58,870</b>	<b>60,899</b>	<b>60,243</b>	<b>65,679</b>	<b>72,606</b>

Table 1.13: Summary of payments and estimates by economic classification - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
<b>Current payments</b>	<b>33,881</b>	<b>49,444</b>	<b>53,098</b>	<b>49,381</b>	<b>52,325</b>	<b>54,207</b>	<b>58,629</b>	<b>64,166</b>	<b>70,979</b>
Compensation of employees	19,404	22,643	25,652	30,222	26,771	25,864	32,104	33,491	35,164
Goods and services	14,477	26,801	27,374	19,159	25,554	28,341	26,525	30,675	35,815
Other	-	-	72	-	-	2	-	-	-
<b>Transfers and subsidies to:</b>	<b>44</b>	<b>25</b>	<b>16,595</b>	<b>17</b>	<b>139</b>	<b>267</b>	<b>-</b>	<b>-</b>	<b>-</b>
Local government	44	9	318	17	22	22	-	-	-
Non-profit institutions	-	-	13,740	-	-	-	-	-	-
Households	-	16	537	-	117	245	-	-	-
Other	-	-	2,000	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1,789</b>	<b>751</b>	<b>1,735</b>	<b>1,456</b>	<b>6,406</b>	<b>6,425</b>	<b>1,614</b>	<b>1,513</b>	<b>1,627</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,789	751	1,735	1,456	6,406	6,425	1,614	1,513	1,627
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>35,714</b>	<b>50,220</b>	<b>71,428</b>	<b>50,854</b>	<b>58,870</b>	<b>60,899</b>	<b>60,243</b>	<b>65,679</b>	<b>72,606</b>

The increase in the Premier Support sub-programme in 2004/05 is a result of the reprioritisation of funds and strengthening of the sub-programme in line with departmental priorities. The increase in the 2006/07 Adjusted Budget is largely due to costs associated with various visits abroad, the hosting of international delegates in order to promote sustainable economic development and job creation within KwaZulu-Natal, as well as renovations to the Premier's office and residential accommodation at Truro House and Parkside.

The increase in the Executive Council Support sub-programme from 2006/07 onwards can mainly be attributed to an additional allocation for secretarial services to the Executive Council and key provincial committees.

A once-off allocation of R3 million towards the outstanding legal fees for services rendered to His Majesty the King, during 1995 to 1999, accounts for the increase in the 2006/07 Adjusted Budget of the Director-General sub-programme.

The significant increase in the Financial Management sub-programme in 2005/06 relates to an amount of R33,7 million which was rolled over from 2004/05 for the KZN Peace and Good Governance Initiative, furniture and IT infrastructure for the new office building. The 2006/07 Adjusted Budget shows an increase for the purchase of additional vehicles for the department.

*Compensation of employees* was adjusted downwards in the 2006/07 Adjusted Budget, because vacant posts were not filled as anticipated. It is envisaged that key positions will be filled in the 2007/08 MTEF.

The item *Goods and services* increases in 2004/05 and 2005/06, mainly due to the roll-over of the KZN Peace and Good Governance Initiative funding. The increase in the 2006/07 Adjusted Budget can largely be ascribed to the additional allocation received towards the legal fees incurred by His Majesty the King, as well as expenditure associated with international visits and visitors.

Funds in the amount of R13,7 million, which were committed to various entities in the Premier's 2005/06 Budget Speech, are reflected against *Transfers and subsidies to: Non-profit institutions* in 2005/06.

The 2006/07 Adjusted Budget against *Machinery and equipment* reflects an increase to cover expenditure for the renovations of the various offices and residence, as well as the purchase of additional vehicles.

## 6.2 Programme 2: Institutional Development

The purpose of this programme is to improve service delivery through institutional capacity building and transformation management, and the objectives are:

- To provide strategic direction on human resource management and service delivery;
- To provide strategic information technology management, leadership and support;

## Budget Statement 2

- To provide legal and advisory support services; and
- To provide strategic communication leadership and support.

There are four sub-programmes supporting Programme 2, namely Strategic Human Resources, Information Communication Technology, Legal Services and Communication Services. Tables 1.14 and 1.15 below summarise payments and budgeted estimates relating to this programme.

Table 1.14: Summary of payments and estimates - Programme 2: Institutional Development

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
					2006/07				
Strategic Human Resources	20,601	23,626	26,758	35,420	33,772	35,021	41,661	48,451	51,310
Information Communication Technology	19,829	21,173	19,630	24,852	22,930	22,484	24,421	26,122	27,980
Legal Services	6,342	7,243	8,279	9,668	9,668	8,454	7,930	8,337	8,787
Communication Services	4,372	10,901	15,084	5,287	21,752	24,365	14,134	15,042	15,991
<b>Total</b>	<b>51,144</b>	<b>62,943</b>	<b>69,751</b>	<b>75,227</b>	<b>88,122</b>	<b>90,324</b>	<b>88,146</b>	<b>97,952</b>	<b>104,068</b>

Table 1.15: Summary of payments and estimates by economic classification - Programme 2: Institutional Development

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
					2006/07				
<b>Current payments</b>	<b>47,972</b>	<b>59,548</b>	<b>63,116</b>	<b>71,454</b>	<b>65,829</b>	<b>68,192</b>	<b>83,517</b>	<b>93,419</b>	<b>99,195</b>
Compensation of employees	18,493	23,033	27,175	38,709	30,239	31,651	42,923	47,330	49,697
Goods and services	29,479	36,515	35,882	32,745	35,590	36,518	40,594	46,089	49,498
Other	-	-	59	-	-	23	-	-	-
<b>Transfers and subsidies to:</b>	<b>809</b>	<b>464</b>	<b>963</b>	<b>720</b>	<b>820</b>	<b>789</b>	<b>774</b>	<b>828</b>	<b>890</b>
Local government	51	64	80	26	26	26	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	99	48	10	-	-	-	-	-	-
Other	659	352	873	694	794	763	774	828	890
<b>Payments for capital assets</b>	<b>2,363</b>	<b>2,931</b>	<b>5,672</b>	<b>3,053</b>	<b>21,473</b>	<b>21,343</b>	<b>3,855</b>	<b>3,705</b>	<b>3,983</b>
Buildings and other fixed structures	-	-	-	-	4,132	4,132	-	-	-
Machinery and equipment	2,292	2,915	5,672	2,833	3,721	3,591	3,624	3,458	3,717
Other	71	16	-	220	13,620	13,620	231	247	266
<b>Total</b>	<b>51,144</b>	<b>62,943</b>	<b>69,751</b>	<b>75,227</b>	<b>88,122</b>	<b>90,324</b>	<b>88,146</b>	<b>97,952</b>	<b>104,068</b>

The increase in the sub-programme: Strategic Human Resources from 2006/07 onwards is largely due to the additional funding of R5 million, R10 million and R15 million that was allocated from 2006/07 onwards for the renovation and refurbishment of the Provincial Public Service Training Academy.

The completion of the Rationalisation of Laws Project at the end of 2006/07 accounts for the slight decrease in the Legal Services sub-programme in 2007/08.

The significant increase in the Communication sub-programme from 2004/05 is indicative of the emphasis on marketing and communication undertaken by the department, through various media campaigns and marketing strategies. The increase in 2005/06 is mainly due to the additional allocation of R4,4 million in respect of the *Izimbizo*. Although no carry-through funds were allocated in the 2006/07 Main Budget, an amount of R8 million, with carry-through costs, was allocated for this purpose in the 2006/07 Adjustments Estimate. Despite these additional allocations, the department is still experiencing spending pressures against this sub-programme, as evident in the projected over-expenditure in the 2006/07 Estimated Actual.

The department budgeted for the capacitation of units and the filling of key positions under *Compensation of employees* in 2006/07. However, posts were not filled as anticipated, and the 2006/07 Adjusted Budget was thus adjusted downwards. The subsequent increase over the 2007/08 MTEF relates to the planned filling of the posts from 2007/08 onwards.

During the 2006/07 Adjustments Estimate, savings were allocated to *Buildings and other fixed structures* to cater for the rehabilitation and upgrading of the Provincial Public Service Training Academy. Similarly, *Payments for capital assets: Other* was increased, to cater for the acquisition of software and the development costs of the Business Intelligence System.

The increase in *Machinery and equipment* in 2005/06 can be attributed to the installation of IT infrastructure and the purchase of equipment for the new office building. Additional funds were allocated in the 2006/07 Adjusted Budget for the purchase of furniture and equipment, including training equipment for the Provincial Public Service Training Academy.

### Service delivery measures – Programme 2: Institutional Development

Table 1.16 illustrates service delivery measures pertaining to Programme 2: Institutional Development. The service delivery outputs were revised in terms of the re-alignment and re-focus of the department. The outputs reflected contribute significantly towards meeting the department's strategic objectives.

The outputs of the Strategic Human Resources sub-programme are in line with the additional funding allocated for the Provincial Public Service Training Academy in 2006/07 and in the outer years. The other service delivery measures were refined in order to make them more meaningful.

Table 1.16: Service delivery measures - Programme 2: Institutional Development

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
<b>1 Strategic Human Resources</b>			
1.1 Capacitation of public servants in the provincial administration	• Number of employees capacitated	3,000 employees capacitated	5,000 employees capacitated
1.2 Provincial Citizen's Charter and Change Engagement Programme	• Number of customer satisfaction surveys	Roll-out of <i>Batho Pele</i> Change Engagement programme and launch of Provincial Fraud and Corruption Management Campaign	Evaluate and improve post Change Engagement maintenance plan (M & E) by 31 March 2008
<b>2 Information Communication Technology (ICT)</b>			
2.1 Full implementation and maintenance of the Business Intelligence System	• Completion of all phases for implementation of Business Intelligence System by 31 March 2009	Completion of assessment phase and requirements phase	Design, construction and testing phase to be completed by 31 March 2009
<b>3 Legal Services</b>			
3.1 A finalised Statute Book for the KZN Province complying with the Constitution and national legislation	• Phases of the project completed timeously per project plan	Phase 7 to 11 of rationalisation of laws project completed	Statute book to be in place dependent upon processes in Provincial Legislature
<b>4 Communication Services</b>			
4.1 Liaison and co-ordination among communicators in the implementation of the Communication Strategy and Policy	• Implementation of the adopted Communication Strategy and marketing campaign	Interfacing with Cabinet, MEXCO and Provincial Communication Forum for the co-ordination plan	Conduct 1 marketing and re-branding campaign by 31 March 2008

### 6.3 Programme 3: Policy and Governance

The purpose of the programme is to initiate the development and implementation of policies and strategies to achieve a co-ordinated approach towards sustainable provincial growth and development, and the objectives are as follows:

- To co-ordinate and facilitate Human Rights issues;
- To promote intergovernmental relations;
- To co-ordinate and facilitate socio-economic development through the monitoring and evaluation of strategic policy implementation; and
- To promote and facilitate the implementation of identified strategic projects commissioned by the Premier and/or Cabinet.

There are four sub-programmes supporting this programme, namely Special Projects, Intergovernmental Relations, Provincial Policy Management as well as Premier's Priority Programmes.

Tables 1.17 and 1.18 below provide a summary of payments and estimates for these four sub-programmes over the period under review.

Table 1.17: Summary of payments and estimates - Programme 3: Policy and Governance

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
					2006/07				
Special Projects	5,890	10,866	10,696	9,620	24,928	24,711	19,735	21,621	23,114
Intergovernmental Relations	2,387	3,745	3,722	7,183	3,717	3,032	7,113	7,530	7,976
Provincial Policy Management	4,267	4,167	4,987	6,944	8,944	8,252	7,360	7,754	8,178
Premier's Priority Programmes	47,444	32,595	83,811	144,912	134,384	131,747	160,062	171,994	184,496
<b>Total</b>	<b>59,988</b>	<b>51,373</b>	<b>103,216</b>	<b>168,659</b>	<b>171,973</b>	<b>167,742</b>	<b>194,270</b>	<b>208,899</b>	<b>223,764</b>

Table 1.18: Summary of payments and estimates by economic classification - Programme 3: Policy and Governance

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
					2006/07				
<b>Current payments</b>	<b>38,847</b>	<b>34,242</b>	<b>84,638</b>	<b>137,206</b>	<b>132,194</b>	<b>127,825</b>	<b>139,440</b>	<b>154,063</b>	<b>164,918</b>
Compensation of employees	9,645	12,749	15,084	25,504	21,080	20,024	27,317	29,407	30,878
Goods and services	29,179	21,121	68,680	111,702	111,114	107,801	112,123	124,656	134,040
Other	23	372	874	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>20,850</b>	<b>17,125</b>	<b>17,935</b>	<b>31,353</b>	<b>35,840</b>	<b>36,190</b>	<b>50,965</b>	<b>54,323</b>	<b>58,343</b>
Local government	1,088	897	1,143	1,131	1,129	1,129	5,514	5,804	6,184
Non-profit institutions	695	1,012	912	1,088	2,888	2,888	5,627	6,207	6,673
Households	-	16	30	-	12	12	-	-	-
Other	19,067	15,200	15,850	29,134	31,811	32,161	39,824	42,312	45,486
<b>Payments for capital assets</b>	<b>291</b>	<b>6</b>	<b>643</b>	<b>100</b>	<b>3,939</b>	<b>3,727</b>	<b>3,865</b>	<b>513</b>	<b>503</b>
Buildings and other fixed structures	-	-	-	-	3,011	3,011	3,455	45	-
Machinery and equipment	291	6	643	100	928	716	410	468	503
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>59,988</b>	<b>51,373</b>	<b>103,216</b>	<b>168,659</b>	<b>171,973</b>	<b>167,742</b>	<b>194,270</b>	<b>208,899</b>	<b>223,764</b>

The increase in the sub-programme: Special Projects in 2004/05 and 2005/06 can be ascribed to the strengthening of the human rights responsibilities. The increase in the 2006/07 Adjusted Budget and over the 2007/08 MTEF is a result of the funding suspended from the Department of Health for the HIV and AIDS transversal functions. In addition, an amount of R5 million was rolled over from 2005/06 to 2006/07 for youth projects.

The 2006/07 Main Budget of the Intergovernmental Relations sub-programme was reduced in the 2006/07 Adjustments Estimate, because posts were not filled as anticipated, and savings were utilised to off-set other spending pressures.

The decrease in the Premier's Priority Programmes sub-programme in 2004/05 relates to the rationalisation of the air service and the fact that payments were no longer made in respect of the SA Airlink contract. The substantial increase from 2005/06 onwards is largely due to additional funding for the Heritage functions, totalling R50 million in 2005/06 and rising to R63,4 million in 2009/10. The 2006/07 MTEF reflects a further increase, due to the allocation of an additional R50 million in 2006/07, rising to R64,5 million in 2009/10, for soccer development. Additional funding in respect of the operational costs of the KwaZulu-Natal Gambling Board also contributed to this substantial increase. Savings were realised in 2006/07 in respect of the Heritage functions, accounting for the decrease in the 2006/07 Adjusted Budget. The increase over the 2007/08 MTEF can largely be attributed to the carry-through of the additional allocations.

*Compensation of employees* increases markedly in 2006/07 as a result of the planned capacitation of the units within the programme. This, however, did not materialise as anticipated, and it is envisaged that the appointment of staff in key positions will take effect from 2007/08 onwards.

*Goods and services* reflects a significant increase from 2005/06, due to the additional funding received for Heritage and Soccer Development in the 2005/06 and 2006/07 financial years.



The increase in *Transfers and subsidies to: Local government* from 2007/08 onwards relates to the transfer payment that will be made to Zululand District Municipality in respect of Air Transport Services. *Transfers and subsidies to: Non-profit institutions* reflects an increase mainly due to transfers to institutions for the transversal HIV and AIDS functions. The additional allocation for the KZN Gambling Board, and the increase in the transfer to *Amafa aKwaZulu-Natali* to cover operational expenditure, account for the increase in *Transfers and subsidies to: Other* from 2006/07 onwards.

The provision for *Buildings and other fixed structures* in the 2006/07 Adjusted Budget and in 2007/08 can be attributed to the refurbishment of the Provincial State Guest House and the construction of the Kwa-Ceza Chapel, in line with the Heritage functions of the department.

### Service delivery measures – Programme 3: Policy and Governance

Table 1.19 below provides information on the service delivery measures pertaining to the sub-programmes within Programme 3: Policy and Governance.

Table 1.19 : Service delivery measures – Programme 3: Policy and Governance

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
<b>1 Special Projects</b>			
1.1 Capacitation workshops on the Human Rights based approach to service delivery at district municipalities and provincial departments	<ul style="list-style-type: none"> <li>Number of workshops with district municipalities, government departments and communities</li> </ul>	6 workshops held by 31 March 2007	7 workshops held by 31 March 2008
1.2 Raising awareness, advocating and lobbying	<ul style="list-style-type: none"> <li>Number of events per year significant to Human Rights</li> </ul>	8 events on Human Rights held by 31 March 2007	8 events on Human Rights held by 31 March 2008
1.3 Provincial implementation plan for HIV and AIDS	<ul style="list-style-type: none"> <li>An approved integrated implementation plan on provincial transversal programmes and projects approved by Cabinet and MEXCO</li> </ul>	Develop integrated provincial HIV and AIDS plan by 31 March 2007 approved by Cabinet and MEXCO	Implementation of HIV and AIDS provincial plan to be completed by 31 March 2008
<b>2 Intergovernmental Relations</b>			
2.1 Strengthen inter-sphere relations	<ul style="list-style-type: none"> <li>Functional and sustainable IG Forums and completion of all phases in order to align the National Plans Framework with the PGDS and IDPs</li> </ul>	Initial phase to align National Policy Framework with PGDS and IDPs to be completed by 31 March 2007	Alignment phase of National Policy Framework with PGDS and IDPs to be completed by 31 March 2008
<b>3 Provincial Policy Management</b>			
3.1 PGDS document that promotes the reduction of poverty and inequality in the province, creation of jobs that will result in an integrated economy	<ul style="list-style-type: none"> <li>Finalised comprehensive and useable PGDS framework for the province.</li> </ul>	Align the Provincial Spatial Development Framework by 31 March 2007	Annual Review and amendment of PGDS by 31 March 2008
3.2 A province-wide monitoring and evaluation system in place	<ul style="list-style-type: none"> <li>A comprehensive, transparent and electronic managed monitoring and evaluation system that generates reports to improve government</li> </ul>	Finalisation and rollout of the Monitoring and Evaluation system to be completed by 31 March 2007	Review performance of Monitoring and Evaluation system and address shortcomings
<b>4 Premiers Priority Programmes</b>			
4.1 Fully functional multi-media centres and establishment of Local Heritage Forums and celebration of key heritage events	<ul style="list-style-type: none"> <li>Completion of all phases for the construction of the multi-media centres by 31 December 2009</li> <li>Number of Local Heritage Forums established</li> <li>Number of key heritage events held</li> </ul>	Procurement process for Ophathe Multi-Media Centre to be completed by 31 March 2007  Establish 6 Local Heritage Forums by 31 March 2007  4 heritage events to be held by 31 March 2007	Ophathe Multi-Media centre due to be completed by December 2007  Establish 6 Local Heritage Forums by 31 March 2008  3 heritage events to be held by 31 March 2008

## 7. Other programme information

### 7.1 Personnel numbers and costs

Tables 1.20 and 1.21 reflect the personnel estimates of the Office of the Premier, per programme, as well as a further breakdown of categories of personnel, as at 31 March 2004 to March 2010. The figures reflected in Table 1.21 in respect of the Human Resource component are based on the internal human resource support unit only, and do not take into account transversal functions. The Finance component incorporates financial management services, supply chain management and associated services.

The revised organisational structure was approved in 2006/07. Delays were experienced in filling of vacant posts during 2002/03 and 2003/04, due to the moratorium on the filling of vacant posts until staff from a national excess list were absorbed into departments. Moreover, a departmental moratorium was placed on the filling of vacant posts during 2004/05 and 2005/06, until such time as the organisational review undertaken by DPSA was completed. The estimates of personnel numbers for the MTEF period show a better capacitated department, despite the fact that the filling of posts in terms of the new structure will have to be phased in, due to financial constraints.

The *Compensation of employees*' budget is based on the assumption that the filling of key vacant posts will commence and be finalised in 2007/08, resulting in an increase in personnel costs over the MTEF.

Table 1.20: Personnel numbers and costs per programme

Personnel numbers	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
1. Administration	124	153	147	132	140	145	151
2. Institutional Development	67	78	75	115	156	160	164
3. Policy and Governance	73	82	80	94	113	122	129
<b>Total</b>	<b>264</b>	<b>313</b>	<b>302</b>	<b>341</b>	<b>409</b>	<b>427</b>	<b>444</b>
Total personnel cost (R000)	47,542	58,425	67,911	77,539	102,344	110,228	115,739
Unit cost (R000)	180	187	225	227	250	258	261

Table 1.21: Details of departmental personnel numbers and costs

	Audited 2003/04	Audited 2004/05	Audited 2005/06	Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
				2006/07			2007/08	2008/09	2009/10
<b>Total for department</b>									
Personnel numbers (head count)	264	313	302	488	354	341	409	427	444
Personnel cost (R'000)	47,542	58,425	67,911	94,435	78,090	77,539	102,344	110,228	115,739
<b>Human resources component</b>									
Personnel numbers (head count)	9	11	15	16	16	16	18	18	18
Personnel cost (R'000)	1,426	1,753	2,078	2,712	2,012	2,058	2,848	2,990	3,140
Head count as % of total for department	3.41	3.51	4.97	3.28	4.52	4.69	4.40	4.22	4.05
Personnel cost as % of total for department	3.00	3.00	3.06	2.87	2.58	2.65	2.78	2.71	2.71
<b>Finance component</b>									
Personnel numbers (head count)	48	59	63	70	82	82	90	91	92
Personnel cost (R'000)	6,656	8,180	11,005	13,039	12,226	12,205	15,289	15,990	16,789
Head count as % of total for department	18.18	18.85	20.86	14.34	23.16	24.05	22.00	21.31	20.72
Personnel cost as % of total for department	14.00	14.00	16.21	13.81	15.66	15.74	14.94	14.51	14.51
<b>Full time workers</b>									
Personnel numbers (head count)	241	269	298	467	349	336	403	418	434
Personnel cost (R'000)	45,989	51,510	65,115	87,287	74,290	73,572	97,788	105,373	110,665
Head count as % of total for department	91.29	85.94	98.68	95.70	98.59	98.53	98.53	97.89	97.75
Personnel cost as % of total for department	96.73	88.16	95.88	92.43	95.13	94.88	95.55	95.60	95.62
<b>Part-time workers</b>									
Personnel numbers (head count)	22	22	-	16	-	-	-	-	-
Personnel cost (R'000)	1,540	830	-	816	-	-	-	-	-
Head count as % of total for department	8.33	7.03	-	3.28	-	-	-	-	-
Personnel cost as % of total for department	3.24	1.42	-	0.86	-	-	-	-	-
<b>Contract workers</b>									
Personnel numbers (head count)	1	22	4	5	5	5	6	9	10
Personnel cost (R'000)	13	6,085	2,796	3,832	3,800	3,967	4,556	4,855	5,074
Head count as % of total for department	0.38	7.03	1.32	1.02	1.41	1.47	1.47	2.11	2.25
Personnel cost as % of total for department	0.03	10.42	4.12	4.06	4.87	5.12	4.45	4.40	4.38

Contract employees are made up of the Premier's special advisors, as well as other employees employed on a contract basis. This includes certain staff in the Communications unit, and the Information Technology and Integrated Provincial Support Programme (IPSP) units.

Subsequent to the approval of the organisational structure, some of the excess staff were absorbed into the approved structure. There are currently six employees excess to the establishment, two of whom are in the process of being absorbed within the department. The department is also in the process of negotiations with other departments to absorb the remainder of these excess employees.

## 7.2 Training

Table 1.22 reflects spending on training per programme, providing actual and estimated expenditure on training for the period 2003/04 to 2006/07, and budgeted expenditure for the period 2007/08 to 2009/10.

The increase from 2006/07 onwards is in line with the capacitation drive undertaken by the Office of the Premier. Furthermore, it is deemed necessary to develop and re-skill staff in line with the revised strategies of the department, where appropriate. The increase from 2006/07 to 2007/08 in Programme 2: Institutional Development relates directly to the increase in additional allocation received in 2006/07 and in the outer years in terms of the business plan for the establishment of the Provincial Public Service Training Academy. The establishment and operations of a centralised training institute will essentially increase the provincial government's capacity to meet training and development needs at reduced costs, and will benefit all provincial departments transversally.

Table 1.22: Expenditure on training

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
1. Administration	169	397	92	462	427	309	869	921	990
2. Institutional Development	239	130	125	508	462	428	4,505	7,716	8,295
3. Policy and Governance	106	11	101	170	200	272	250	279	300
<b>Total</b>	<b>514</b>	<b>538</b>	<b>318</b>	<b>1,140</b>	<b>1,089</b>	<b>1,009</b>	<b>5,624</b>	<b>8,916</b>	<b>9,585</b>

## 7.3 Reconciliation of structural changes

Table 1.23 indicates structural changes between programmes in the department. As discussed previously, the programme structure of the vote was amended to be in line with the generic sector structure that was developed in consultation with other provincial Departments of the Premiers and National Treasury.

Table 1.23: Reconciliation of structural changes to Vote 1: Office of the Premier

Programme	Sub-programme	Programme	Sub-programme
1 Administration	Personal Office of the Premier DG Support Services Communication Finance and Corporate Services KZN Peace & Good Governance Initiative Inter & Intra Govt Relations	1 Administration	Premier support Executive council support Director-General Financial management
2 Public Service Transformation	State Law Advisory Services Human Resource Management Service Delivery Improvement	2 Institutional Development	Strategic Human Resource Information Communication Technology Legal Services Communication Services
3 Macro Policy Development, Strategic Planning, Monitoring and Evaluation	Macro Policy Development & Strategic Planning Monitoring and Evaluation HIV and AIDS Integration	3 Policy and Governance	Special Projects Intergovernmental Relations Provincial Policy Management Premiers Priority Programmes
4 Special Programmes	Priority Programmes Provincial IT, Science & Technology Human Rights		

## ANNEXURE TO VOTE 1 – OFFICE OF THE PREMIER

Table 1.A: Details of departmental receipts

	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
<b>R000</b>									
<b>Tax receipts</b>	<b>143,393</b>	<b>157,532</b>	<b>194,055</b>	<b>195,955</b>	<b>215,955</b>	<b>218,272</b>	<b>232,699</b>	<b>248,987</b>	<b>267,661</b>
Casino taxes	117,475	128,530	162,073	163,665	183,665	183,698	192,089	205,535	220,950
Motor vehicle licenses									
Horseracing	25,918	29,002	31,982	32,290	32,290	34,574	40,610	43,452	46,711
Other taxes									
<b>Non-tax receipts</b>	<b>106</b>	<b>751</b>	<b>1,528</b>	<b>589</b>	<b>589</b>	<b>886</b>	<b>780</b>	<b>828</b>	<b>890</b>
Sale of goods & services other than capital assets	106	863	796	589	589	858	780	828	890
Sales of goods & services produced by depts.	106	863	796	589	589	858	780	828	890
Sales by market establishments									
Administrative fees									
Other sales	106	863	796	589	589	858	780	828	890
Of which									
Bookmakers Licences	-	117	72	1	1	1	7	8	8
Housing rent recoveries	106	130	120	116	116	116	93	99	107
Serv Rend: Commission Insurance	-	215	50	55	55	55	50	54	58
Sales: Dept Publications	-	401	554	417	417	686	630	667	717
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Fines, penalties and forfeits									
Interest, dividends and rent on land	-	(112)	732	-	-	28	-	-	-
Interest	-	(112)	732	-	-	28	-	-	-
Dividends									
Rent on land									
<b>Transfers received from:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
<b>Sales of capital assets</b>	<b>-</b>	<b>16,000</b>	<b>7,709</b>	<b>-</b>	<b>-</b>	<b>5,365</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land and subsoil assets									
Other capital assets	-	16,000	7,709	-	-	5,365	-	-	-
<b>Financial transactions</b>	<b>-</b>	<b>(668)</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>143,499</b>	<b>173,615</b>	<b>203,322</b>	<b>196,544</b>	<b>216,544</b>	<b>224,648</b>	<b>233,479</b>	<b>249,815</b>	<b>268,551</b>

Table 1.B: Details of payments and estimates by economic classification

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
<b>Current payments</b>	<b>120,700</b>	<b>143,234</b>	<b>200,852</b>	<b>258,041</b>	<b>250,348</b>	<b>250,224</b>	<b>281,586</b>	<b>311,648</b>	<b>335,092</b>
Compensation of employees	47,542	58,425	67,911	94,435	78,090	77,539	102,344	110,228	115,739
Salaries and wages	40,346	49,661	59,465	83,981	67,578	68,716	88,527	95,347	100,114
Social contributions	7,196	8,764	8,446	10,454	10,512	8,823	13,817	14,881	15,625
Goods and services	73,135	84,437	131,936	163,606	172,258	172,660	179,242	201,420	219,353
of which									
Advert: Marketing	-	-	-	725	4,375	6,202	10,707	11,679	12,556
Venues and Facilities	-	-	-	9,403	29,797	50,034	25,034	27,632	29,666
Consultants and Advisors	4,102	4,496	11,545	53,439	60,202	38,942	55,998	62,647	70,328
Other	69,033	79,941	120,391	100,039	77,884	77,482	87,503	99,462	106,803
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	23	372	1,005	-	-	25	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>21,703</b>	<b>17,614</b>	<b>35,493</b>	<b>32,090</b>	<b>36,799</b>	<b>37,246</b>	<b>51,739</b>	<b>55,151</b>	<b>59,233</b>
Local government	1,183	970	1,541	1,174	1,177	1,177	5,514	5,804	6,184
Municipalities	1,183	970	1,541	1,174	1,177	1,177	5,514	5,804	6,184
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	19,726	15,552	16,723	29,828	29,828	29,797	40,598	43,140	46,376
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	19,726	15,552	16,723	29,828	29,828	29,797	40,598	43,140	46,376
Public corporations and private enterprises	-	-	2,000	-	2,777	3,127	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	2,000	-	2,777	3,127	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	2,000	-	2,777	3,127	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	695	1,012	14,652	1,088	2,888	2,888	5,627	6,207	6,673
Households	99	80	577	-	129	257	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	99	80	577	-	129	257	-	-	-
<b>Payments for capital assets</b>	<b>4,443</b>	<b>3,688</b>	<b>8,050</b>	<b>4,609</b>	<b>31,818</b>	<b>31,495</b>	<b>9,334</b>	<b>5,731</b>	<b>6,113</b>
Buildings and other fixed structures	-	-	-	-	7,143	7,143	3,455	45	-
Buildings	-	-	-	-	7,143	7,143	3,455	45	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4,372	3,672	8,050	4,389	11,055	10,732	5,648	5,439	5,847
Transport equipment	-	-	1,080	1,130	2,299	1,918	1,180	1,263	1,358
Other machinery and equipment	4,372	3,672	6,970	3,259	8,756	8,814	4,468	4,176	4,489
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	71	16	-	220	13,620	13,620	231	247	266
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>146,846</b>	<b>164,536</b>	<b>244,395</b>	<b>294,740</b>	<b>318,965</b>	<b>318,965</b>	<b>342,659</b>	<b>372,530</b>	<b>400,438</b>

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

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
<b>Current payments</b>	<b>33,881</b>	<b>49,444</b>	<b>53,098</b>	<b>49,381</b>	<b>52,325</b>	<b>54,207</b>	<b>58,629</b>	<b>64,166</b>	<b>70,979</b>
Compensation of employees	19,404	22,643	25,652	30,222	26,771	25,864	32,104	33,491	35,164
Salaries and wages	16,432	19,246	22,317	25,982	22,531	22,436	27,770	28,970	30,417
Social contributions	2,972	3,397	3,335	4,240	4,240	3,428	4,334	4,521	4,747
Goods and services	14,477	26,801	27,374	19,159	25,554	28,341	26,525	30,675	35,815
of which									
Advert: Marketing	-	-	-	259	3,664	110	218	234	252
Venues and Facilities	-	-	-	2,890	2,161	1,030	5,500	5,772	6,205
Consultants and Advisors	862	944	3,577	60	1,402	1,308	599	629	3,659
Other	13,615	25,857	23,797	15,950	18,327	25,893	20,208	24,040	25,699
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities	-	-	72	-	-	2	-	-	-
Unauthorised expenditure									
<b>Transfers and subsidies to:</b>	<b>44</b>	<b>25</b>	<b>16,595</b>	<b>17</b>	<b>139</b>	<b>267</b>	<b>-</b>	<b>-</b>	<b>-</b>
Local government	44	9	318	17	22	22	-	-	-
Municipalities	44	9	318	17	22	22	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	2,000	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	2,000	-	-	-	-	-	-
Subsidies on production									
Other transfers	-	-	2,000	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	13,740	-	-	-	-	-	-
Households	-	16	537	-	117	245	-	-	-
Social benefits									
Other transfers to households	-	16	537	-	117	245	-	-	-
<b>Payments for capital assets</b>	<b>1,789</b>	<b>751</b>	<b>1,735</b>	<b>1,456</b>	<b>6,406</b>	<b>6,425</b>	<b>1,614</b>	<b>1,513</b>	<b>1,627</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	1,789	751	1,735	1,456	6,406	6,425	1,614	1,513	1,627
Transport equipment	-	-	1,080	1,130	2,299	1,918	1,180	1,263	1,358
Other machinery and equipment	1,789	751	655	326	4,107	4,507	434	250	269
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total</b>	<b>35,714</b>	<b>50,220</b>	<b>71,428</b>	<b>50,854</b>	<b>58,870</b>	<b>60,899</b>	<b>60,243</b>	<b>65,679</b>	<b>72,606</b>

Table 1.D: Details of payments and estimates by economic classification - Programme 2: Institutional Development

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
<b>Current payments</b>	<b>47,972</b>	<b>59,548</b>	<b>63,116</b>	<b>71,454</b>	<b>65,829</b>	<b>68,192</b>	<b>83,517</b>	<b>93,419</b>	<b>99,195</b>
Compensation of employees	18,493	23,033	27,175	38,709	30,239	31,651	42,923	47,330	49,697
Salaries and wages	15,716	19,578	23,880	34,689	26,276	28,261	37,128	40,940	42,988
Social contributions	2,777	3,455	3,295	4,020	3,963	3,390	5,795	6,390	6,709
Goods and services	29,479	36,515	35,882	32,745	35,590	36,518	40,594	46,089	49,498
of which									
Advert: Marketing	-	-	-	216	461	4,250	1,536	1,486	1,597
Venues and Facilities	-	-	-	985	13,856	11,629	5,606	6,223	6,644
Consultants and Advisors	2,010	2,203	6,278	3,404	2,833	2,031	2,136	2,389	2,567
Other	27,469	34,312	29,604	28,140	18,440	18,608	31,316	35,991	38,690
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities	-	-	59	-	-	23	-	-	-
Unauthorised expenditure									
<b>Transfers and subsidies to:</b>	<b>809</b>	<b>464</b>	<b>963</b>	<b>720</b>	<b>820</b>	<b>789</b>	<b>774</b>	<b>828</b>	<b>890</b>
Local government	51	64	80	26	26	26	-	-	-
Municipalities	51	64	80	26	26	26	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	659	352	873	694	694	663	774	828	890
Social security funds									
Entities receiving funds	659	352	873	694	694	663	774	828	890
Public corporations and private enterprises	-	-	-	-	100	100	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	100	100	-	-	-
Subsidies on production									
Other transfers	-	-	-	-	100	100	-	-	-
Foreign governments and international organisations									
Non-profit institutions									
Households	99	48	10	-	-	-	-	-	-
Social benefits									
Other transfers to households	99	48	10	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2,363</b>	<b>2,931</b>	<b>5,672</b>	<b>3,053</b>	<b>21,473</b>	<b>21,343</b>	<b>3,855</b>	<b>3,705</b>	<b>3,983</b>
Buildings and other fixed structures	-	-	-	-	4,132	4,132	-	-	-
Buildings	-	-	-	-	4,132	4,132	-	-	-
Other fixed structures									
Machinery and equipment	2,292	2,915	5,672	2,833	3,721	3,591	3,624	3,458	3,717
Transport equipment									
Other machinery and equipment	2,292	2,915	5,672	2,833	3,721	3,591	3,624	3,458	3,717
Cultivated assets									
Software and other intangible assets	71	16	-	220	13,620	13,620	231	247	266
Land and subsoil assets									
<b>Total</b>	<b>51,144</b>	<b>62,943</b>	<b>69,751</b>	<b>75,227</b>	<b>88,122</b>	<b>90,324</b>	<b>88,146</b>	<b>97,952</b>	<b>104,068</b>

Table 1.E: Details of payments and estimates by economic classification - Programme 3: Policy and Governance

R000	Audited 2004/05	Audited 2005/06	Audited 2005/06	Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
				2006/07			2007/08	2008/09	2009/10
<b>Current payments</b>	<b>38,847</b>	<b>34,242</b>	<b>84,638</b>	<b>137,206</b>	<b>132,194</b>	<b>127,825</b>	<b>139,440</b>	<b>154,063</b>	<b>164,918</b>
Compensation of employees	9,645	12,749	15,084	25,504	21,080	20,024	27,317	29,407	30,878
Salaries and wages	8,198	10,837	13,268	23,310	18,771	18,019	23,629	25,437	26,709
Social contributions	1,447	1,912	1,816	2,194	2,309	2,005	3,688	3,970	4,169
Goods and services	29,179	21,121	68,680	111,702	111,114	107,801	112,123	124,656	134,040
of which									
Advert: Marketing	-	-	-	250	250	1,842	8,953	9,959	10,707
Venues and Facilities	-	-	-	5,528	13,780	37,375	13,928	15,637	16,817
Consultants and Advisors	1,230	1,349	1,690	49,975	55,967	35,603	53,263	59,629	64,102
Other	27,949	19,772	66,990	55,949	41,117	32,981	35,979	39,431	42,414
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities	23	372	874	-	-	-	-	-	-
Unauthorised expenditure									
<b>Transfers and subsidies to:</b>	<b>20,850</b>	<b>17,125</b>	<b>17,935</b>	<b>31,353</b>	<b>35,840</b>	<b>36,190</b>	<b>50,965</b>	<b>54,323</b>	<b>58,343</b>
Local government	1,088	897	1,143	1,131	1,129	1,129	5,514	5,804	6,184
Municipalities	1,088	897	1,143	1,131	1,129	1,129	5,514	5,804	6,184.0
Municipal agencies and funds									
Departmental agencies and accounts	19,067	15,200	15,850	29,134	29,134	29,134	39,824	42,312	45,486
Social security funds									
Entities receiving funds	19,067	15,200	15,850	29,134	29,134	29,134	39,824	42,312	45,486
Public corporations and private enterprises	-	-	-	-	2,677	3,027	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	2,677	3,027	-	-	-
Subsidies on production									
Other transfers	-	-	-	-	2,677	3,027	-	-	-
Foreign governments and international organisations									
Non-profit institutions	695	1,012	912	1,088	2,888	2,888	5,627	6,207	6,673
Households	-	16	30	-	12	12	-	-	-
Social benefits									
Other transfers to households	-	16	30	-	12	12	-	-	-
<b>Payments for capital assets</b>	<b>291</b>	<b>6</b>	<b>643</b>	<b>100</b>	<b>3,939</b>	<b>3,727</b>	<b>3,865</b>	<b>513</b>	<b>503</b>
Buildings and other fixed structures	-	-	-	-	3,011	3,011	3,455	45	-
Buildings	-	-	-	-	3,011	3,011	3,455	45	-
Other fixed structures									
Machinery and equipment	291	6	643	100	928	716	410	468	503
Transport equipment									
Other machinery and equipment	291	6	643	100	928	716	410	468	503
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total</b>	<b>59,988</b>	<b>51,373</b>	<b>103,216</b>	<b>168,659</b>	<b>171,973</b>	<b>167,742</b>	<b>194,270</b>	<b>208,899</b>	<b>223,764</b>



**Table 1.F: Summary of transfers to municipalities**

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
<b>A eThekweni</b>	<b>127</b>	<b>114</b>	<b>133</b>	<b>124</b>	<b>128</b>	<b>130</b>	<b>132</b>	<b>139</b>	<b>149</b>
<b>Total: Ugu Municipalities</b>	<b>192</b>	<b>110</b>	<b>122</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>132</b>	<b>142</b>	<b>153</b>
B KZ211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZ212 Umdoni	-	-	-	-	-	-	-	-	-
B KZ213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZ214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZ215 Ezingolweni	-	-	-	-	-	-	-	-	-
B KZ216 Hibiscus Coast	192	110	122	124	124	124	132	142	153
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uMgungundlovu Municipalities</b>	<b>186</b>	<b>119</b>	<b>536</b>	<b>221</b>	<b>220</b>	<b>210</b>	<b>170</b>	<b>183</b>	<b>197</b>
B KZ221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZ222 uMngeni	61	55	61	62	62	62	66	71	76
B KZ223 Mpofana	20	30	28	35	35	35	38	41	45
B KZ224 Impendle	-	-	-	-	-	-	-	-	-
B KZ225 Msunduzi	61	-	307	62	62	62	66	71	76
B KZ226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZ227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	44	34	140	62	61	51	-	-	-
<b>Total: Uthukela Municipalities</b>	<b>151</b>	<b>134</b>	<b>203</b>	<b>221</b>	<b>221</b>	<b>221</b>	<b>234</b>	<b>249</b>	<b>268</b>
B KZ232 Ennambithi/Ladysmith	61	-	61	62	62	62	66	71	76
B KZ233 Indaka	-	-	-	-	-	-	-	-	-
B KZ234 Umtshezi	90	79	81	97	97	97	102	107	116
B KZ235 Okhahlamba	-	55	61	62	62	62	66	71	76
B KZ236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Umzinyathi Municipalities</b>	<b>122</b>	<b>110</b>	<b>158</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>132</b>	<b>142</b>	<b>153</b>
B KZ241 Endumeni	61	55	61	62	62	62	66	71	77
B KZ242 Nquthu	-	-	-	-	-	-	-	-	-
B KZ244 Usinga	-	-	-	-	-	-	-	-	-
B KZ245 Umvoti	61	55	97	62	62	62	66	71	76
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Amajuba Municipalities</b>	<b>61</b>	<b>55</b>	<b>61</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>66</b>	<b>71</b>	<b>76</b>
B KZ252 Newcastle	61	55	61	62	62	62	66	71	76
B KZ253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZ254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Zululand Municipalities</b>	<b>132</b>	<b>123</b>	<b>103</b>	<b>62</b>	<b>62</b>	<b>70</b>	<b>4,397</b>	<b>4,609</b>	<b>4,899</b>
B KZ261 eDumbe	-	-	-	-	-	-	-	-	-
B KZ262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZ263 Abaqulusi	61	55	61	62	62	62	66	71	76
B KZ265 Nongoma	-	-	-	-	-	-	-	-	-
B KZ266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	71	68	42	-	-	8	4,331	4,538	4,823
<b>Total: Umkhanyakude Municipalities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
B KZ271 Umhlabyalingana	-	-	-	-	-	-	-	-	-
B KZ272 Jozini	-	-	-	-	-	-	-	-	-
B KZ273 The Big Five False Bay	-	-	-	-	-	-	-	-	-
B KZ274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZ275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uThungulu Municipalities</b>	<b>126</b>	<b>110</b>	<b>122</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>132</b>	<b>142</b>	<b>153</b>
B KZ281 Mbonambi	-	-	-	-	-	-	-	-	-
B KZ282 uMhlathuze	61	55	61	62	62	62	66	71	77
B KZ283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZ284 Umlalazi	65	55	61	62	62	62	66	71	76
B KZ285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZ286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Ilembe Municipalities</b>	<b>61</b>	<b>55</b>	<b>61</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>66</b>	<b>71</b>	<b>76</b>
B KZ291 Mandeni	-	-	-	-	-	-	-	-	-
B KZ292 KwaDukuza	61	55	61	62	62	62	66	71	76
B KZ293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZ294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Sisonke Municipalities</b>	<b>25</b>	<b>40</b>	<b>42</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>
B KZ5a1 Ingwe	-	-	-	-	-	-	-	-	-
B KZ5a2 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZ5a3 Matatiele	25	40	42	50	50	50	-	-	-
B KZ5a4 Kokstad	-	-	-	-	-	-	-	-	-
B KZ5a5 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZ5a6 Umzimkhulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
<b>Unallocated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>56</b>	<b>60</b>
<b>Total</b>	<b>1,183</b>	<b>970</b>	<b>1,541</b>	<b>1,174</b>	<b>1,177</b>	<b>1,177</b>	<b>5,514</b>	<b>5,804</b>	<b>6,184</b>

**Table 1.G: Transfers to municipalities - Subsidies to Museums**

Outcome				Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates			
R000	Audited 2003/04	Audited 2004/05	Audited 2005/06				2006/07	2007/08	2008/09	2009/10
A	eThekweni	122	110	122	124	124	124	132	139	149
Total: Ugu Municipalities		192	110	122	124	124	124	132	142	153
B	KZ211 Vulamehlo									
B	KZ212 Umdoni									
B	KZ213 Umzumbe									
B	KZ214 uMuziwabantu									
B	KZ215 Ezingolweni									
B	KZ216 Hibiscus Coast	192	110	122	124	124	124	132	142	153
C	DC21 Ugu District Municipality									
Total: uMgungundlovu Municipalities		142	85	150	159	159	159	170	183	197
B	KZ221 uMshwathi									
B	KZ222 uMngeni									
B	KZ223 Mpofana									
B	KZ224 Impendle									
B	KZ225 Msunduzi									
B	KZ226 Mkhambathini	61	-	61	62	62	62	66	71	76
B	KZ227 Richmond									
C	DC22 uMgungundlovu District Municipality									
Total:Uthukela Municipalities		151	134	203	221	221	221	234	249	268
B	KZ232 Emnambithi/Ladysmith	61	-	61	62	62	62	66	71	76
B	KZ233 Indaka									
B	KZ234 Umtshezi									
B	KZ235 Okhahlamba									
B	KZ236 Imbabazane									
C	DC23 Uthukela District Municipality									
Total: Umzinyathi Municipalities		122	110	158	124	124	124	132	142	153
B	KZ241 Endumeni	61	55	61	62	62	62	66	71	77
B	KZ242 Nquthu									
B	KZ244 Usinga									
B	KZ245 Umvoti									
C	DC24 Umzinyathi District Municipality	61	55	97	62	62	62	66	71	76
Total: Amajuba Municipalities		61	55	61	62	62	62	66	71	76
B	KZ252 Newcastle	61	55	61	62	62	62	66	71	76
B	KZ253 eMadlangeni									
B	KZ254 Dannhauser									
C	DC25 Amajuba District Municipality									
Total: Zululand Municipalities		61	55	61	62	62	62	66	71	76
B	KZ261 eDumbe									
B	KZ262 uPhongolo									
B	KZ263 Abaqulusi									
B	KZ265 Nongoma									
B	KZ266 Ulundi									
C	DC26 Zululand District Municipality	61	55	61	62	62	62	66	71	76
Total: Umkhanyakude Municipalities		-	-	-	-	-	-	-	-	-
B	KZ271 Umhlabyalingana									
B	KZ272 Jozini									
B	KZ273 The Big Five False Bay									
B	KZ274 Hlabisa									
B	KZ275 Mtubatuba									
C	DC27 Umkhanyakude District Municipality									
Total: uThungulu Municipalities		126	110	122	124	124	124	132	142	153
B	KZ281 Mbonambi									
B	KZ282 uMhlathuze									
B	KZ283 Ntambanana									
B	KZ284 Umlalazi									
B	KZ285 Mthonjaneni									
B	KZ286 Nkandla	61	55	61	62	62	62	66	71	76
C	DC28 uThungulu District Municipality									
Total: Ilembe Municipalities		61	55	61	62	62	62	66	71	76
B	KZ291 Mandeni									
B	KZ292 KwaDukuza									
B	KZ293 Ndwedwe									
B	KZ294 Maphumulo									
C	DC29 Ilembe District Municipality									
Total: Sisonke Municipalities		25	40	42	50	50	50	-	-	-
B	KZ5a1 Ingwe									
B	KZ5a2 Kwa Sani									
B	KZ5a3 Matatiele									
B	KZ5a4 Kokstad									
B	KZ5a5 Ubuhlebezwe									
B	KZ5a6 Umzimkhulu	25	40	42	50	50	50	-	-	-
C	DC43 Sisonke District Municipality									
Unallocated		-	-	-	-	-	-	53	56	60
Total		1.063	864	1.102	1.112	1.112	1.112	1.183	1.266	1.361

Table 1.H: Financial summary for the KwaZulu-Natal Gambling Board

R 000	Outcome			Estimates outcome	Medium-term estimate		
	Audited	Audited	Audited				
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	10,155	11,065	9,638	10,557	9,919	9,335	–
Sale of goods and services other than capital assets	8,521	10,633	9,445	10,514	9,877	9,290	–
Admin fees	8,521	10,633	9,445	10,514	9,877	9,290	–
Other non-tax revenue	1,634	432	193	43	42	45	–
Transfers received	6,750	5,000	5,190	11,851	19,238	20,449	–
Total revenue	16,905	16,065	14,828	22,408	29,157	29,784	–
Expenses							
Current expense	11,191	17,887	18,015	21,116	28,332	29,290	–
Compensation of employees	4,184	8,230	7,364	10,924	15,659	16,912	–
Goods and services	6,794	9,394	10,268	9,732	12,021	11,782	–
Depreciation	213	263	383	460	652	596	–
Interest, dividends and rent on land	–	–	–	–	–	–	–
Unearned reserves (social security funds only)	–	–	–	–	–	–	–
Transfers and subsidies	48	115	92	176	175	193	–
Total expenses	11,239	18,002	18,107	21,292	28,507	29,483	–
Surplus / (Deficit)	5,666	(1,937)	(3,279)	1,116	650	301	–
Tax payment	–	–	–	–	–	–	–
Outside shareholders Interest	–	–	–	–	–	–	–
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(1,386)	(94)	277	612	554	(45)	–
Adjustments for:							
Depreciation	214	263	460	652	596	–	–
Interest	(1,614)	(357)	(183)	(40)	(42)	(45)	–
Net (profit ) / loss on disposal of fixed assets	14	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Operating surplus / (deficit) before changes in working capital	4,280	(2,031)	(3,002)	1,728	1,204	256	–
Changes in working capital	3,484	(1,878)	1,618	(937)	850	(500)	–
(Decrease) / increase in accounts payable	1,104	588	(797)	(500)	800	(500)	–
Decrease / (increase) in accounts receivable	2,307	(2,777)	2,354	(450)	50	–	–
Decrease / (increase) in inventory	–	–	–	–	–	–	–
(Decrease) / increase in provisions	73	311	61	13	–	–	–
Interest Income	1,614	357	183	40	42	45	–
Cash flow from operating activities	9,378	(3,552)	(1,201)	831	2,096	(199)	–
Transfers from government	6,750	5,000	5,190	11,851	19,238	20,449	–
Of which: Capital	–	–	–	–	–	–	–
: Current	6,750	5,000	5,190	11,851	19,238	20,449	–
Cash flow from investing activities	(195)	(264)	(1,210)	(1,094)	(650)	(301)	–
Acquisition of Assets	(195)	(264)	(1,210)	(1,094)	(650)	(301)	–
Other flows from Investing Activities	–	–	–	–	–	–	–
Cash flow from financing activities	(20,726)	–	–	–	–	–	–
Net increase / (decrease) in cash and cash equivalents	(11,543)	(3,816)	(2,411)	(263)	1,446	(500)	–
Balance Sheet Data							
Carrying Value of Assets	349	351	985	1,083	788	788	–
Investments	–	–	–	–	–	–	–
Cash and Cash Equivalents	11,830	8,008	5,518	5,001	6,503	6,599	–
Receivables and Prepayments	1,777	4,554	2,200	2,650	2,600	2,600	–
Inventory	–	–	–	–	–	–	–
TOTAL ASSETS	13,956	12,913	8,703	8,734	9,891	9,987	–
Capital & Reserves	(15,061)	3,729	450	1,566	2,216	2,517	2,517
Borrowings	–	–	–	–	–	–	–
Post Retirement Benefits	–	–	–	–	–	–	–
Trade and Other Payables	7,209	7,797	7,000	6,500	7,300	6,800	–
Provisions	316	626	687	700	700	700	–
Managed Funds	–	–	–	–	–	–	–
TOTAL EQUITY & LIABILITIES	(7,536)	12,152	8,137	8,766	10,216	10,017	2,517
Contingent Liabilities	–	–	–	–	–	–	–

Table 1.1: Financial summary for Amafa aKwaZulu-Natali

R 000	Outcome			Estimates outcome 2006/07	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06		2007/08	2008/09	2009/10
<b>Revenue</b>							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	1,835	1,320	1,100	2,750	2,820	2,920	-
Sale of goods and services other than capital assets	40	-	-	-	-	-	-
Non-market est. sales	40	-	-	-	-	-	-
Other non-tax revenue	1,795	1,320	1,100	2,750	2,820	2,920	-
Transfers received	10,000	10,200	60,666	63,783	66,972	71,660	-
<b>Total revenue</b>	<b>11,835</b>	<b>11,520</b>	<b>61,766</b>	<b>66,533</b>	<b>69,792</b>	<b>74,580</b>	<b>-</b>
<b>Expenses</b>							
Current expense	11,842	11,552	61,435	66,033	69,290	74,084	-
Compensation of employees	5,756	6,786	7,873	11,946	13,294	14,599	-
Goods and services	4,842	3,677	3,430	5,037	5,338	6,058	-
Depreciation	1,244	1,089	50,132	49,050	50,658	53,427	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Unearned reserves (social security funds only)	-	-	-	-	-	-	-
Transfers and subsidies	-	-	331	500	502	496	-
<b>Total expenses</b>	<b>11,842</b>	<b>11,552</b>	<b>61,766</b>	<b>66,533</b>	<b>69,792</b>	<b>74,580</b>	<b>-</b>
<b>Surplus / (Deficit)</b>	<b>(7)</b>	<b>(32)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax payment	-	-	-	-	-	-	-
Outside shareholders Interest	-	-	-	-	-	-	-
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	1,204	1,092	132	49,050	50,658	53,427	-
Adjustments for:							
Depreciation	1,244	1,144	-	49,050	50,658	53,427	-
Net (profit) / loss on disposal of fixed assets	(40)	(52)	-	-	-	-	-
Other	-	-	132	-	-	-	-
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>1,197</b>	<b>1,060</b>	<b>132</b>	<b>49,050</b>	<b>50,658</b>	<b>53,427</b>	<b>-</b>
Changes in working capital	(2,001)	1,072	-	-	-	-	-
(Decrease) / increase in accounts payable	(534)	(1,430)	-	-	-	-	-
Decrease / (increase) in accounts receivable	(2,533)	2,544	-	-	-	-	-
Decrease / (increase) in inventory	-	(42)	-	-	-	-	-
(Decrease) / increase in provisions	1,066	-	-	-	-	-	-
<b>Cash flow from operating activities</b>	<b>(804)</b>	<b>2,132</b>	<b>132</b>	<b>49,050</b>	<b>50,658</b>	<b>53,427</b>	<b>-</b>
Transfers from government	10,461	10,200	10,666	17,283	18,147	19,291	-
Of which: Capital	461	-	-	-	-	-	-
: Current	10,000	10,200	10,666	17,283	18,147	19,291	-
<b>Cash flow from investing activities</b>	<b>(1,077)</b>	<b>(996)</b>	<b>-</b>	<b>(47,629)</b>	<b>(51,208)</b>	<b>(54,938)</b>	<b>-</b>
Acquisition of Assets	(1,124)	(1,075)	-	(47,629)	(51,208)	(54,938)	-
Other flows from Investing Activities	47	79	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,881)</b>	<b>1,136</b>	<b>132</b>	<b>1,421</b>	<b>(550)</b>	<b>(1,511)</b>	<b>-</b>
<b>Balance Sheet Data</b>							
Carrying Value of Assets	12,896	12,801	64,043	60,543	62,868	66,412	-
Investments	-	-	-	-	-	-	-
Cash and Cash Equivalents	7,084	8,218	4,688	-	-	-	-
Receivables and Prepayments	2,724	180	-	-	-	-	-
Inventory	382	425	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>23,086</b>	<b>21,624</b>	<b>68,731</b>	<b>60,543</b>	<b>62,868</b>	<b>66,412</b>	<b>-</b>
Capital & Reserves	(7)	(39)	(39)	(39)	(39)	(39)	(39)
Borrowings	-	-	-	-	-	-	-
Post Retirement Benefits	-	-	-	-	-	-	-
Trade and Other Payables	1,275	741	-	-	-	-	-
Provisions	7,737	6,840	54,688	46,500	48,825	52,369	-
Managed Funds	-	-	-	-	-	-	-
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>9,005</b>	<b>7,542</b>	<b>54,649</b>	<b>46,461</b>	<b>48,786</b>	<b>52,330</b>	<b>(39)</b>
Contingent Liabilities	-	-	-	-	-	-	-

\* The transfers received from 2005/06 onwards include other transfers in addition to the departmental transfers