

VOTE 11

Local Government and Traditional Affairs

Operational budget	R 767 350 000
MEC remuneration	R 720 000
Total amount to be appropriated	R 768 070 000
Responsible MEC	Mr M. Mabuyakhulu, MEC for Local Government, Housing and Traditional
Administrating department	Local Government and Traditional Affairs
Accounting officer	Head: Local Government and Traditional Affairs

1. Overview

Vision

The vision of the department is: *People-centred sustainable local governance, which focuses on effective service delivery responsive to the needs of the communities.*

Mission statement

The department will promote people-centred, accountable and viable local governance that accelerates service delivery and ensures sustainable communities.

Strategic objectives

The strategic objectives of the department for 2007/08 are aligned to the strategic goals of the five-year local government agenda.

The goal: *Mainstreaming hands-on support to local governance to improve governance, performance and accountability*, will be achieved through the following objectives:

- Management of institutional development;
- Facilitation of basic service delivery;
- Promotion of local economic development;
- Facilitation of good governance and public participation;
- Oversight of municipal transformation and organisational development; and
- Facilitation of financial viability and financial management.

The goal: *Addressing the structure and governance arrangements of the state, in order to better strengthen, support and monitor local governance* has as its objectives:

- Monitoring of inter-governmental relations; and
- Supporting and monitoring institutional empowerment.

The objectives in respect of the goal: *Refining and strengthening the policy, regulatory and fiscal environment for local governance and giving greater attention to enforcement measures*, are as follows:

- Review of the two tier system of local government; and
- Facilitate legislative amendments.

The goal: *Client-oriented, economical, efficient and effective management of its resources*, will be achieved by the following objectives:

- Provision of an effective and efficient service to the MEC, and
- Provision of sound corporate services.

Core functions

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

- The provision of corporate services;
- The facilitation of accountable and sustainable local governance;
- The facilitation of accountable and sustainable traditional institutions;
- The promotion of integrated development and planning;
- The promotion of sustainable urban and rural development; and
- The development of systems for capacity support and monitoring and evaluation processes.

Legislative mandate

The legislative, functional and policy mandates of the department are found primarily in Chapters 3,6,7 and 12 of the Constitution of the Republic of South Africa, (Act No 108 of 1996), as well as:

- Municipal Finance Management Act, 2003 (Act 56 of 2003)
- Public Finance Management Act, 1999 (Act 1 of 1999)
- Municipal Property Rates Act, 2004 (Act 6 of 2004)
- Municipal Systems Act, 2000 (Act 32 of 2000)
- Municipal Structures Act, 1998 (Act 117 of 1998)
- Traditional Leadership and Governance Framework Act, 2003 (Act 41 of 2003)
- KwaZulu-Natal Traditional Leadership and Governance Act, 2005 (Act 3 of 2005)
- Development Facilitation Act, 1995 (Act 67 of 1995)
- Communal Land Rights Act, 2004 (Act 11 of 2004)

The department is currently rationalising all unconstitutional and redundant legislation on the Provincial Statute Book to ensure that all legislation assigned to the department complies with the Constitution.

2. Review of the 2006/07 financial year

Section 2 provides a review of the 2006/07 financial year, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on the challenges facing the department, and new developments.

Support to municipalities and traditional authorities

The development of the 5-Year Local Government Strategic Agenda brought to the fore the need for the development of structured interventions, based on the review of the local government system done by the Department of Provincial and Local Government. The department accordingly aligned its strategic plan and positioned itself to focus on rendering specific and targeted support to municipalities.

Following the local government elections in March 2006, a programme of action to assist municipalities to re-establish their ward committees was implemented, together with a comprehensive training programme to capacitate ward committee members.

Several guidelines aimed at improving municipal organisational arrangements were developed, including generic employment equity plans, employment contracts and performance review agreements and skills development plans. A procedural guideline for the implementation of the Municipal Property Rates Act was developed and workshopped with municipalities and relevant stakeholders. This guideline places special emphasis on community participation in all aspects of the rating process, via a structured communication strategy.

The department facilitated the incorporation of Umzimkhulu into KwaZulu-Natal, and undertook capacity building interventions in line with set service delivery targets. Funding was allocated to assist four district municipalities (uMgungundlovu, Amajuba, Ugu and uThungulu) and the Metro to position themselves appropriately for the FIFA World Cup event in 2010. A roll-out plan was developed, and the provincial institutional structures are functioning.

Another major challenge for the province is the slow delivery of infrastructure for basic services. A lack of technical skills, management skills and inadequate funding undermined the provision of bulk infrastructure for basic service provision and promotion of Local Economic Development and investments in municipal areas. Very little progress has been made to eradicate backlogs, due to lack of funding for operations and maintenance. However, a programme to eradicate the bucket system was successfully implemented in Indaka. In the Umzimkhulu municipal area, the eradication of the bucket system from 100 households is well on track, and will be finalised in 2007.

During 2006/07, the Provincial Disaster Management Centre handled a number of incidents, such as providing logistical support, tents and blankets to Ilembe after devastating hail storms and heavy rains, which resulted in extensive damage to property, community institutions and infrastructure.

The department facilitated the acquisition of 13 licences for the District and Provincial Disaster Management Centres to access the project management tool developed by the National Disaster Management Centre.

The Project Consolidate Programme continued to make significant strides and targeted interventions in promoting shared services and accelerating delivery of water and sanitation in several municipalities such as Abaqulusi, Jozini, Nongoma, Umhlabuyalingana and Indaka. A number of *Izimbizo* were held to bring communities on board, and to define their roles in assisting and monitoring the intervention provided by Project Consolidate.

The promulgation of the Traditional Leadership and Governance Act gave rise to the inauguration of 237 Traditional Councils, 11 Local Houses and a Provincial House. Regulations governing the functioning of these institutions were finalised and gazetted during 2006/07. The department also initiated the *Ubambiswano* project, aimed at establishing and capacitating Traditional Councils, District and Local Houses, and promoting synergistic partnerships between municipal and traditional institutions.

Furthermore, the financial records of 235 Traditional Councils were examined and hands-on guidance was given.

Community participation and access to government services

The establishment of Ward Committees and the deployment of Community Development Workers (CDWs) brought challenges due to lack of funding resources to support their functioning. Currently, only 71 of a total of 771 ward committees are fully functional and facilitating effective participation and feedback processes in the municipalities. Furthermore, the general acceptance of the 400 CDWs, by both municipal ward councillors and other community structures, remains a challenge.

An enormous challenge faced by this department, having been mandated by Cabinet, is to implement a structured programme for the creation of fully functional Multi-Purpose Community Centres (MPCCs or

Thusong Centres) in order to meet Presidential targets. The department made significant strides in its endeavour to promote improved access to government services and information to communities. Much focus was placed on the functionality aspect of existing MPCCs, underpinned by the strategy of 'making these centres work'. Good progress was made with the finalisation of first generation MPCCs and the construction of the remaining Thusong Centres for Sisonke and Zululand District Municipalities. The department will continue to support Traditional Councils by constructing new Traditional Administrative Centres (TACs) which will serve as the headquarters for the newly established Traditional Councils.

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.

Support to municipalities and traditional authorities

The department is finalising a strategy to fast-track the delivery of water and sanitation, using various scenarios for different municipalities. Strategies to promote accessibility to scarce technical skills will be applied, such as implementation of learnerships for technical and financial skills, in partnership with key tertiary institutions.

As a consequence of the 2006 local government elections, a significant number of new councillors were appointed. The inadequate capacity of the department to implement and support capacity building strategies for newly elected councillors and municipalities is a major challenge which will receive priority in 2007/08. The councillor training programme will also be expanded, in conjunction with the South African Local Government Association (SALGA) and other support institutions and organisations.

Municipalities continue to experience poor financial management and financial viability, compounded by lack of revenue bases, poor billing and collection systems and processes, poor accounting and non-compliance with the regulative framework. It is anticipated that the implementation of the Municipal Property Rates Act will provide some relief to several municipalities with financial constraints.

The implementation of the Traditional Leadership and Governance Act (Act No. 3 of 2005) and the establishment of new traditional institutions pose capacity challenges. The training of the Traditional Councils will also be prioritised, to allow them to function optimally. Support will be given to the newly established Institute for Local Government and Traditional Institution Training established by the University of Zululand. Furthermore, guidelines for the functioning of traditional institutions will be finalised, and capacity support will be provided in conjunction with the Local Government Sector Education and Training Authority (SETA).

Finalisation and alignment of the Local Economic Development (LED) strategies within the IDPs will be aligned with the Provincial Spatial Economic Development Strategy (PSEDS). Further capacity building strategies for municipalities and traditional institutions will be developed and rolled out to all institutions.

Public participation and communication

The audit and strategy for the functionality of MPCCs will be finalised and implemented as a matter of urgency. Key partners that will participate in the establishment and operation of the MPCC structures have been identified, and it is anticipated that additional resources will be mobilised and the appointment of MPCC managers will be finalised during 2007/08. There will be training of ward committees and CDWs to promote effective public participation in communities. A comprehensive communications strategy for provincial departments and municipalities will be introduced in 2007/08 to ensure better communication between the spheres of government and the citizenry.

Monitoring and evaluation

The department also plans to develop and implement monitoring and evaluation systems, in order to measure the impact of service delivery efforts and to inform targeted interventions for different municipalities, based on the gaps identified.

Corridor development

The department established the steering committees for the P700 and Umzinyathi corridor development projects, to co-ordinate the support provided to municipalities to increase economic activities in the specified corridor areas.

Post establishment structure

The restructuring exercise has been finalised, and it is envisaged that the new post establishment structure will be approved early in 2007. Provision has been made for 50 per cent of the vacant posts to be filled in 2007/08, 30 per cent in 2008/09 and the remaining posts in 2009/10.

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

Table 11.1 below indicates the sources of funding for Vote 11 for the period 2003/04 to 2009/10. The table also compares actual and budgeted receipts against actual and budgeted payments. As illustrated, the total receipts increase from R458,6 million in 2003/04, to R1,1 billion in 2009/10.

Table 11.1: 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	381,861	399,616	501,593	595,585	629,092	629,092	768,070	935,834	1,096,854
Conditional grants	76,771	55,532	-	-	-	-	-	-	-
<i>Flood Disaster Reconstruction Grant</i>									
<i>Provincial Infrastructure Grant</i>	30,017	14,129	-	-	-	-	-	-	-
<i>Local Government Support</i>	38,880	33,050	-	-	-	-	-	-	-
<i>Consolidated Municipal Infrastructure Programme</i>	7,874	8,353	-	-	-	-	-	-	-
Total	458,632	455,148	501,593	595,585	629,092	629,092	768,070	935,834	1,096,854
Total payments	430,551	453,642	470,972	595,585	687,306	694,306	768,070	935,834	1,096,854
Surplus/(Deficit) before financing	28,081	1,506	30,621	-	(58,214)	(65,214)	-	-	-
Financing									
<i>of which</i>									
Provincial roll-overs	54,304	27,038	30,660	-	58,214	58,214	-	-	-
Provincial cash resources	-	5,000	-	-	-	-	-	-	-
Surplus/(deficit) after financing	82,385	33,544	61,281	-	-	(7,000)	-	-	-

The Provincial Infrastructure, Local Government Support and Consolidated Municipal Infrastructure Programme (CMIP) conditional grants were discontinued at the end of 2004/05, and from 2005/06 the department receives its allocation through provincial allocation only.

It is evident that the department consistently under-spent in prior years. This under-expenditure was largely related to capital projects and/or funds that were committed but could not be spent by the end of the financial year, and thus emanated in roll-overs. Given that the budget is projected to increase further over the MTEF from R768,1 million to R1,097 billion, there is a need for the department to ensure that proper business and spending plans are in place to spend the full allocation.

As at December, the department projected to over-spend its 2006/07 Adjusted Budget by R7 million in respect of the Rural Connectivity Programme, as a result of an advance payment made to the Independent Development Trust. However, the funds have been recalled and received since. The department is showing a balanced budget over the MTEF.

4.2 Departmental receipts collection

Table 11.2 below reflects departmental receipts for the period 2003/04 to 2009/10. Details of departmental receipts are presented in *Annexure to Vote 11 – Local Government and Traditional Affairs*.

The department is not a major revenue collecting department, and the only revenue item which can be accurately projected is rental in respect of state owned properties, which falls under the category *Sale of goods and services other than capital assets*. The revenue budget increases gradually over the MTEF.

Although departmental officials have met regularly with the Provincial Treasury to discuss ways of maximising revenue collection, and the department has reviewed rates and tariffs in an attempt to identify new revenue sources, it is apparent that very little scope exists for revenue to be increased.

Table 11.2: 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	-	-	-	-	-	-	-	-	-
Non-tax receipts	2,896	1,170	1,053	1,113	1,113	684	1,154	1,290	1,387
Sale of goods and services other than capital assets	1,515	570	553	633	633	602	654	775	833
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1,381	600	500	480	480	82	500	515	554
Transfers received	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions	-	(227)	900	-	-	552	-	-	-
Total	2,896	943	1,953	1,113	1,113	1,236	1,154	1,290	1,387

4.3 Donor funding

Table 11.3 below reflects donor funding received by the department for the period 2003/04 to 2009/10.

Table 11.3: Donor funding and agency receipt

Name of Donor Organisation	Audited 2003/04	Audited 2004/05	Audited 2005/06	Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
							2007/08	2008/09	2009/10
R000									
Donor funding	2,227	3,476	1,089	3,407	3,407	3,407	-	-	-
Development Bank of SA	1,777	3,476	1,089	3,407	3,407	3,407	-	-	-
Flemish Government	300	-	-	-	-	-	-	-	-
Norwegian Government	150	-	-	-	-	-	-	-	-
Agency receipt	964	196	-	6,402	6,402	6,402	-	-	-
DPLG	1,160	-	-	4,660	4,660	4,660	-	-	-
LGWSETA	(196)	196	-	1,742	1,742	1,742	-	-	-
Total	3,191	3,672	1,089	9,809	9,809	9,809	-	-	-

Over the past four years, the department received donor funding from various sources. In 2003/04, donor funding was received from the Norwegian Government for the training of councillors, whereas the funding received from the Flemish government was for a feasibility study to ascertain the capacity of municipal office bearers within the Umkhanyakude district municipality. Funding from the Development Bank of South Africa (DBSA) was provided from 2003/04 to 2006/07, aimed at building municipal capacity. It is expected that this source of funding will continue over the MTEF. However, the amounts have not yet been determined.

The department also receives agency receipts from the Department of Provincial and Local Government, aimed specifically at councillor training, and from Local Government Water and Related Services Sector Education and Training Authority (LGWSETA), for the training programme in respect of CDWs.

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 provided in Section 6, as well as in *Annexure to Vote 11 – Local Government and Traditional Affairs*.

5.1 Key assumptions

Some of the main assumptions underpinning the department's budget are summarised below:

- *Compensation of employees* is expected to increase substantially over the MTEF, in line with phased implementation of the new structure, with the key managerial posts being filled by 1 June 2007; and
- Salary increases of 6 per cent, 5 per cent, and 5 per cent have been catered for over the MTEF period.

Concern is raised that posts will, once again, not be filled as anticipated. The department's structure is still subject to approval by DPSA, and organised labour has not yet been consulted, and hence under-expenditure against the *Compensation of employees* budget is highly likely.

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

Table 11.4 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 11.4: Summary of additional provincial allocations for 2005/06 to 2009/10

R000	2005/06	2006/07	2007/08	2008/09	2009/10
2005/06 MTEF period	78,000	36,750	38,588	41,289	44,385
Carry through of 2004/05 Adjustments Estimate	5,000	5,250	5,513	5,899	6,341
Project consolidate	30,000	31,500	33,075	35,390	38,044
2005/06 Adj. Estimates - provision of water purification plants to municipalities	43,000	-	-	-	-
2006/07 MTEF period	-	144,283	204,137	358,499	385,387
Ensure equitable sustainable basic service delivery (Project Consolidate)		9,650	5,100	2,900	3,118
Infrastructure provision for soccer stadia		31,000	89,000	139,500	149,963
Disaster management centres		7,000	2,000	-	-
Rural Connectivity Programme		7,400	33,505	16,805	18,065
Community Development Workers		29,000	38,358	49,553	53,269
Corridor development		10,000	20,000	130,000	139,750
Incorporation of Umzimkhulu in KwaZulu-Natal Province		15,776	16,174	19,741	21,222
2006/07 Adj. Estimates - additional funding i.r.o. Umzimkhulu		34,457	-	-	-
2007/08 MTEF period	-	-	53,886	31,585	124,786
Net financial implication of demarcation (Net of Umzimkhulu and Matatiele)			53,886	31,585	34,786
Massification projects - Water and Sanitation			-	-	50,000
Rehabilitation of small towns			-	-	40,000
Total	78,000	181,033	296,611	431,373	554,558

The department received additional allocations of R144,3 million, R204,1 million, R358,5 million and R385,4 million over the 2006/07 MTEF, plus carry-through into the 2009/10 baseline, of which the significant amounts were in respect of the following:

- Infrastructure provision for soccer stadia in the Amajuba, uThungulu, uMgungundlovu and Ugu district municipalities and eThekweni;

- Special projects aimed at strengthening priority corridors; and
- The incorporation of Umzimkhulu.

Further additional allocations of R53,9 million, R31,6 million and R124,8 were received over the 2007/08 MTEF, in respect of the following:

- Net financial implication of demarcation (net of Umzimkhulu and Matatiele);
- Massification projects to fast track the delivery of water and sanitation to facilitate comprehensive municipal strategies to eradicate backlogs, to provide for operations and maintenance of infrastructure, and to build municipal technical capacity; and
- Rehabilitation: aimed at promoting spatial development initiatives, assisting municipalities to improve on their infrastructure development, and attracting investments to small towns.

5.3 Summary by programme and economic classification

Tables 11.5 and 11.6 below reflect information pertaining to the six programmes under Vote 11 for the period 2003/04 to 2009/10. These programmes are linked to the core functions of the department. Special Functions is not a programme, but caters for authorised write-offs by the department.

Table 11.5: Summary of payments and estimates by programme

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						
					2006/07				
1. Administration	79,012	94,052	105,657	110,898	110,898	110,898	147,887	165,759	189,524
2. Local Governance	164,403	147,708	121,281	199,522	298,257	298,257	233,989	263,868	351,822
3. Development and Planning	42,288	48,951	91,945	97,955	86,937	86,937	101,569	194,012	242,724
4. Traditional Institutional Management	69,868	69,129	76,790	87,476	98,967	98,967	105,154	112,760	109,670
5. Urban and Rural Development	62,958	80,807	62,712	85,740	80,093	87,093	135,017	145,739	155,489
6. Systems & Institutional Development	11,897	12,717	11,662	13,994	12,154	12,154	44,454	53,696	47,625
Special Functions	125	278	925	-	-	-	-	-	-
Total	430,551	453,642	470,972	595,585	687,306	694,306	768,070	935,834	1,096,854

Note: Programme 1 includes MEC remuneration : Salary: R575 410. Car allowance: R143 852.

Table 11.6: Summary of payments and estimates by economic classification

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						
					2006/07				
Current payments	358,307	391,959	365,898	503,905	568,179	568,179	583,933	716,446	818,581
Compensation of employees	141,839	168,247	168,846	243,450	200,058	200,058	265,877	337,452	361,179
Goods and services	216,343	223,434	196,127	260,455	368,121	368,121	318,056	378,994	457,402
Other	125	278	925	-	-	-	-	-	-
Transfers and subsidies to:	23,158	33,897	89,084	75,232	93,390	93,390	131,891	175,976	227,836
Local government	-	12,782	67,489	72,274	71,379	71,379	128,785	172,773	224,501
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	1,515	1,695	458	2,511	2,511	481	503	535
Other	23,158	19,600	19,900	2,500	19,500	19,500	2,625	2,700	2,800
Payments for capital assets	49,086	27,786	15,990	16,448	25,737	32,737	52,246	43,412	50,437
Buildings and other fixed structures	34,134	11,067	4,029	7,280	12,159	19,159	33,505	30,766	32,386
Machinery and equipment	14,809	16,271	11,579	9,168	13,578	13,578	18,532	12,435	17,935
Other	143	448	382	-	-	-	209	211	116
Total	430,551	453,642	470,972	595,585	687,306	694,306	768,070	935,834	1,096,854

The budget structure of Vote 11 does not conform to the generic format prescribed for the Local Government sector, with the major difference being the addition of Programme 5: Urban and Rural Development and Programme 6: Systems and Institutional Development. National Treasury was consulted, and it was agreed that the department could deviate.

Overall, the budget allocation generally shows a steady increase over the period 2003/04 to 2009/10. With regard to Programme 1: Administration, the substantial increase over the MTEF relates to the capacitation of the programme in line with the new post establishment structure. The implementation of the new structure also accounts for the substantial increase in *Compensation of employees*.

Programme 2: Local Governance increases substantially in the 2006/07 Adjusted Budget, largely due to a roll-over in respect of water purification plants as well as spending pressures related to the incorporation of Umzimkhulu into the province, and *Umsekeli* salaries. The additional funding allocated towards massification projects for water and sanitation accounts for the substantial increase in 2009/10.

The significant increase in 2005/06 against Programme 3: Development and Planning can mainly be attributed to the roll-over of unspent funds from 2004/05, and an additional amount in respect of Project Consolidate. In the 2006/07 Main Budget, an additional allocation was introduced towards Corridor development, increasing markedly from 2008/09 onwards. Furthermore, the 2009/10 budget increases significantly, largely due to additional funding for the rehabilitation of small towns.

The increase in the 2006/07 Adjusted Budget against Programme 4: Traditional Institutional Management can be attributed to the roll-over of unspent funds from 2005/06.

The allocation against Programme 5: Urban and Rural Development increases substantially from 2007/08 onwards, mainly as a result of the increases in the additional allocations for the Rural Connectivity Programme and Community Development Workers (CDWs), which were first introduced in 2006/07. The allocation for the rehabilitation and upgrading of MPCCs and TACs accounts for the substantial increase against *Buildings and other fixed structures*.

Programme 6: Systems and Institutional Development is a newly created programme as from 2007/08. The amounts reflected in 2006/07 and prior years represent expenditure in respect of the GIS function, which was previously under Programme 3.

The increase in *Compensation of employees* from 2005/06 to 2006/07 is largely due to the employment of an additional 400 CDWs, in addition to the planned implementation of the departmental structure. However, the restructuring was not finalised as planned, hence the decrease in the 2006/07 Adjusted Budget. The implementation of the new structure accounts for the substantial growth in *Compensation of employees* over the MTEF. This also accounts for the increase in *Machinery and equipment*.

The category *Goods and services* decreases in 2005/06, mainly because of under-spending in respect of the capital and/or committed projects. The roll-over of unspent funds and additional funds towards the incorporation of Umzimkhulu accounts for the increase in the 2006/07 Adjusted Budget. The increases over the MTEF can be attributed to the higher-than inflation carry-through costs of additional allocations made in 2005/06, in respect of Corridor development and Umzimkhulu. Additional funds allocated towards massification projects for water and sanitation and rehabilitation of small towns account for the sharp increase in 2009/10.

The majority of transfer payments have been reclassified from *Transfers and subsidies to: Local government* to *Goods and services* items, because of problems encountered with municipalities not utilising the funds effectively. The department envisages that service delivery will be enhanced by making use of external expertise to perform specific functions within the municipal sphere. The historic data has been restated for comparative purposes.

Transfers and subsidies to: Other decreases substantially from 2007/08 onwards, in line with the envisaged dissolution of *Umsekeli*. *Transfers and subsidies to: Households* increases significantly in 2006/07, due to the higher than expected number of employees taking severance packages, as well as an increase in the rate of natural attrition.

5.4 Summary of expenditure by district municipalities

Table 11.7 below illustrates spending within district municipal areas. The variation of spending in each area is in line with the particular needs in the district municipal areas. The amounts exclude the costs of the salaries of staff performing functions in these areas.

A significant portion of the expenditure for 2006/07 and 2007/08 occurs within Sisonke district municipal area, largely due to the incorporation of Umzimkhulu and the initial spending necessary to raise the level of service delivery to be equal to that of the rest of the province. Spending in the Zululand district municipal area is also relatively high over the MTEF, indicative of the increased activities in support of the implementation of the new legislative framework in respect of traditional leadership and governance. The increase in 2008/09 against eThekweni can mainly be ascribed to the planned transfer towards the development of soccer infrastructure.

The allocated amount in 2009/10 related to the development of soccer stadia infrastructure, which is still subject to negotiation with the various municipalities.

Table 11.7: 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
R000					
eThekweni	26,196	28,986	84,761	129,413	40,476
Ugu	31,802	52,897	49,046	63,343	61,211
uMgungundlovu	37,564	59,141	72,490	82,146	70,698
Uthukela	28,598	38,568	31,993	32,582	39,713
Umzinyathi	28,686	40,316	36,119	47,953	56,134
Amajuba	25,626	42,442	34,692	36,787	33,890
Zululand	56,945	80,388	74,117	98,543	108,149
Umkhanyakude	29,639	44,242	40,239	63,234	72,319
uThungulu	31,800	53,370	48,891	52,250	49,169
Ilembe	30,179	47,377	44,578	78,669	88,535
Sisonke	29,278	88,681	103,257	85,155	97,073
Unallocated	-	-	-	-	189,963
Total	356,313	576,408	620,183	770,075	907,330

5.5 Summary of infrastructure expenditure and estimates

Table 11.8 below summarises the infrastructure expenditure and estimates relating to the department.

Table 11.8: Summary of infrastructure expenditure and estimates

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						
Capital	36,917	15,662	6,503	40,430	48,942	55,942	122,505	170,266	182,349
New constructions	27,443	11,038	4,029	7,280	12,159	19,159	28,479	26,151	27,528
Rehabilitation/upgrading	5,107	-	-	4,950	5,483	5,483	5,026	4,615	4,858
Other capital projects	4,367	4,624	2,474	300	300	300	-	-	-
Infrastructure transfer	-	-	-	27,900	31,000	31,000	89,000	139,500	149,963
Current	-	42,026	13,469	2,150	2,150	2,150	4,710	6,606	6,692
Total	36,917	57,688	19,972	42,580	51,092	58,092	127,215	176,872	189,041

The allocation in 2004/05 includes an amount of R24 million that was rolled over from the 2003/04 financial year in respect of the construction and equipping of the Traditional Administrative Centres.

The increase in allocation against the *Infrastructure transfer* item is due to additional funding received in 2006/07 onwards in respect of the infrastructure provision for soccer stadia. The significant increases from 2006/07 onwards against *New construction* and *Rehabilitation/upgrading* relate to additional funds allocated for the Rural Connectivity Programme to rehabilitate and/or maintain MPCCs in line with presidential targets.

The 2006/07 Adjusted Budget against *New construction* shows an increase as a result of the roll-over of funds related to the building of houses for *Amakhosi*. No provision has been made for the continuation of the project over the MTEF. The allocation increases substantially from 2007/08, mainly as a result of an additional allocation towards the Rural Connectivity Programme for the construction of MPCCs.

5.6 Transfers to public entities

Table 11.9 below summarises the transfer payments to public entities. Financial summaries received from KwaZulu-Natal Provincial Planning and Development Commission and Umsekeleli Municipal Support Services are presented in *Annexure to Vote 11 – Local Government and Traditional Affairs*

Table 11.9: Summary of departmental transfers to public entities

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						
Umsekeleli	20,600	17,600	17,600	-	17,000	17,000	-	-	-
Provincial Planning and Development Commission	2,558	2,000	2,300	2,500	2,500	2,500	2,625	2,700	2,800
Total	23,158	19,600	19,900	2,500	19,500	19,500	2,625	2,700	2,800

The finalisation of the close-out of *Umsekeleli* as a provincial public entity was not completed by the end of 2006/07 as was anticipated, and an amount of R17 million is provided in the 2006/07 Adjusted Budget to cover salaries of staff still employed by the entity. No budget was provided for the MTEF, as it is anticipated that the entity will be closed down by 31 March 2007.

The transfer to the Provincial Planning and Development Commission is mainly to cater for operational staff costs and research projects, and shows a steady increase over the period.

5.7 Transfers to local government

The transfers to the various municipalities by transfer type are summarised in the categories A, B and C in Table 11.10, while Table 11.11 hereunder reflects a summary of transfers to municipalities by grant name. Detailed information on the departmental transfers to local government by transfer/grant type, category and municipality is given in *Annexure to Vote 11 – Local Government and Traditional Affairs*.

Table 11.10: Summary of departmental transfers to local government by category

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						
Category A	-	72	75	22	28	28	45,000	89,500	-
Category B	-	12,292	60,529	17,400	37,899	37,899	-	-	-
Category C	-	418	6,885	28,852	33,452	33,452	59,000	70,000	50,000
Unallocated/unclassified	-	-	-	26,000	-	-	24,785	13,273	174,501
Total	-	12,782	67,489	72,274	71,379	71,379	128,785	172,773	224,501

Table 11.11: Summary of departmental transfers to local government by grant name

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						
Project Consolidate	-	-	41,567	26,000	25,999	25,999	24,785	13,273	24,538
Provincial Management Assistance Programme	-	12,292	25,412	18,200	14,200	14,200	15,000	20,000	50,000
Infrastructure provision for soccer stadia	-	-	-	27,900	31,000	31,000	89,000	139,500	149,963
Regional Service Council Levy	-	490	510	174	180	180	-	-	-
Total	-	12,782	67,489	72,274	71,379	71,379	128,785	172,773	224,501

The majority of transfer payments were reclassified from *Transfers and subsidies to: Local government* as *Goods and services* items, with the exception of specific transfers, which will be continued over the MTEF. The department encountered problems with municipalities not utilising the funds effectively, and expects to speed up service delivery by making use of external expertise to perform specific functions within the municipal sphere.

A portion of the funds earmarked for transfer to municipalities remains unallocated, as it is still subject to negotiation with municipalities, such as the transfer in respect of Project Consolidate and soccer stadia. Transfers to municipalities increase substantially over the MTEF, largely due to additional funding received to incorporate Umzimkhulu into KwaZulu-Natal, and for the provision of soccer stadia infrastructure.

6. Programme description

The services rendered by the department are categorised under six programmes. The expenditure and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure to Vote 11 – Local Government and Traditional Affairs*.

6.1 Programme 1: Administration

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

Tables 11.12 and 11.13 below summarise payments and estimates relating to Programme 1: Administration for the financial years 2003/04 to 2009/10.

Table 11.12: Summary of payments and estimates - Programme 1: Administration

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						
					2006/07				
Office of the MEC	3,481	5,678	14,057	9,440	14,136	14,136	18,534	20,708	23,842
Corporate Services	75,531	88,374	91,600	101,458	96,762	96,762	129,353	145,051	165,682
Total	79,012	94,052	105,657	110,898	110,898	110,898	147,887	165,759	189,524

Table 11.13: Summary of payments and estimates by economic classification - Programme 1: Administration

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						
					2006/07				
Current payments	73,127	84,020	96,809	108,664	102,015	102,015	132,909	156,581	175,121
Compensation of employees	43,197	44,363	46,554	61,826	49,618	49,618	63,280	89,066	102,642
Goods and services	29,930	39,657	50,255	46,838	52,397	52,397	69,629	67,515	72,479
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	629	524	181	1,938	1,938	108	108	108
Local government	-	125	133	55	35	35	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	504	391	126	1,903	1,903	108	108	108
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	5,885	9,403	8,324	2,053	6,945	6,945	14,870	9,070	14,295
Buildings and other fixed structures	144	29	-	-	-	-	-	-	-
Machinery and equipment	5,741	9,061	8,130	2,053	6,945	6,945	14,835	9,070	14,295
Other	-	313	194	-	-	-	35	-	-
Total	79,012	94,052	105,657	110,898	110,898	110,898	147,887	165,759	189,524

The spending trend of this programme generally shows a consistent increase over the first four years, with a substantial increase from 2007/08 onwards, largely attributed to the filling of posts in line with the new post establishment structure.

The sub-programme: Office of the MEC increases substantially from 2005/06 onwards, as a result of the implementation of the new staff structure in the Ministry. This also accounts for the increase in the 2006/07 Adjusted Budget. On the other hand, the decrease in the 2006/07 Adjusted Budget of the sub-programme: Corporate Services is due to the fact that posts could not be filled as anticipated, because of delays in finalising the restructuring of the department. From 2007/08 onwards there is a substantial increase in the Corporate Services budget, in line with the phased approach for the implementation of the new structure. This also accounts for the decrease in the 2006/07 Adjusted Budget and the increase over the MTEF against *Compensation of employees*.

The increase against *Goods and services* in 2005/06 is mainly as a result of the cost incurred in respect of the MEC's Budget Speech and the Water and Electricity Summits hosted by the department, as well as improvements to offices. The increase over the MTEF is in line with the expectation that, as components become capacitated, more funds will be required for operational and/or auxiliary activities.

The category *Machinery and equipment* fluctuates over the years, largely because of the acquisition of furniture and computers required for new staff members, as well as the scheduled replacement and/or maintenance of computer and other office equipment.

6.2 Programme 2: Local Governance

The purpose of this programme is to implement an institutional, administrative and financial municipal framework, and to provide a municipal infrastructure framework.

The programme consists of five sub-programmes, namely Municipal Administration, Municipal Finance, Public Participation, Disaster Management and Municipal Infrastructure.

Tables 11.14 and 11.15 below illustrate a summary of payments and estimates for the financial years 2003/04 to 2009/10 relating to Programme 2.

Table 11.14: Summary of payments and estimates - Programme 2: Local 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
Municipal Administration	32,158	31,494	36,668	35,222	102,399	102,399	59,472	38,437	40,159
Municipal Finance	82,864	69,407	59,562	70,336	50,719	50,719	48,450	54,886	83,293
Public Participation	-	-	-	-	-	-	3,310	5,536	10,107
Disaster Management	4,296	10,687	3,070	12,990	13,651	13,651	7,105	9,226	10,183
Municipal Infrastructure	45,085	36,120	21,981	80,974	131,488	131,488	115,652	155,783	208,080
Total	164,403	147,708	121,281	199,522	298,257	298,257	233,989	263,868	351,822

Table 11.15: Summary of payments and estimates by economic classification - Programme 2: Local 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
Current payments	143,001	116,653	77,123	152,110	235,472	235,472	128,989	103,668	151,459
Compensation of employees	37,001	30,284	29,355	39,127	29,006	29,006	45,799	48,835	48,432
Goods and services	106,000	86,369	47,768	112,983	206,466	206,466	83,190	54,833	103,027
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	20,600	30,296	43,674	46,126	62,312	62,312	104,000	159,500	199,963
Local government	-	12,376	25,395	46,126	45,232	45,232	104,000	159,500	199,963
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	320	679	-	80	80	-	-	-
Other	20,600	17,600	17,600	-	17,000	17,000	-	-	-
Payments for capital assets	802	759	484	1,286	473	473	1,000	700	400
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	802	759	484	1,286	473	473	1,000	700	400
Other	-	-	-	-	-	-	-	-	-
Total	164,403	147,708	121,281	199,522	298,257	298,257	233,989	263,868	351,822

The substantial increase in Municipal Administration in the 2006/07 Adjusted Budget can mainly be attributed to a once-off additional allocation of R17 million to *Umsekeli*, also reflected against *Transfers and subsidies to: Other*, as well as a portion of the additional funds towards the incorporation of Umzimkhulu into the province, to be transferred to Sisonke over the MTEF.

The Municipal Infrastructure sub-programme shows a significant increase in the 2006/07 Adjusted Budget, mainly as a result of the roll-over of R44,6 million in respect of water purification plants. The allocation from 2007/08 shows a steady increase, relating to additional funds allocated over the MTEF.

The 2006/07 Adjusted Budget against the Municipal Finance sub-programme decreases significantly, mainly due to the delays in the filling of posts and the implementation of projects. The steady increase over the MTEF against the sub-programme is largely due to additional funding for the incorporation of Umzimkhulu into the province, as mentioned above.

The Public Participation sub-programme is a new addition to the programme structure from 2007/08 onwards. The increase over the MTEF is in line with the approach to phase in the implementation of the new structure.

The intended implementation of the Disaster Management Act in 2005/06 was constrained by a lack of capacity and other resources, and several activities were therefore rescheduled for 2006/07, accounting for the increase in the 2006/07 Main Budget. In addition, amounts of R7 million and R2 million were allocated in 2006/07 and 2007/08, respectively, for the establishment of Disaster Management Centres, plans and fora. However, it is anticipated that the bulk of the district structures will be established in 2006/07, hence the reduction in the budget over the MTEF.

The Municipal Infrastructure sub-programme decreases consistently in the first three years, mainly as a result of the phasing out of the Provincial Infrastructure and Consolidated Municipal Infrastructure Programme. The substantial increase in the 2006/07 Main Budget can largely be attributed to additional funding in respect of infrastructure provision for soccer stadia. The carry-through costs are also incorporated in the 2009/10 budget. The allocation for the programme increases further in the 2006/07 Adjusted Budget, due to a roll-over of R44,6 million for mobile water purification works.

The category *Compensation of employees* shows a decrease in the 2006/07 Adjusted Budget, due to the fact that posts could not be filled as anticipated. The substantial increase in the *Compensation of employees* over the MTEF caters for the implementation of the new structure.

The additional funding in respect of water purification, Umzimkhulu and basic service delivery accounts for the increase in *Goods and services* from 2006/07 onwards. *Goods and services* increases further from 2007/08, due to the new post establishment structure. The budget reduces in 2008/09, mainly as a result of the decrease in the Umzimkhulu allocation, whereas the sharp increase in 2009/10 is mainly ascribed to the increase in the Umzimkhulu allocation, and funds for the water and sanitation massification project.

Transfers and subsidies to: Local government shows a consistent increase, representing the municipal transfer in respect of the Municipal Assistance Programme and transfers towards infrastructure provision for soccer stadia. The Municipal Assistance Programme is aimed at assisting municipalities who lack the necessary capacity to fast-track the delivery of essential services.

Service delivery measures – Programme 2: Local Governance

Table 11.16 illustrates the main service delivery information for to Programme 2: Local Governance.

The measures are mostly in line with the generic sector structure, and the targets are the same as those contained in the 2006/07 Annual Performance Plan. A service delivery model, incorporating standards for the various municipal key performance areas, has been developed, and will be used as a benchmark to assess progress.

The service delivery targets for this programme increase in line with the budget. The area of significant change, and which will receive attention, is the incorporation of Umzimkhulu into the province.

Table 11.16: Service delivery measures – Programme 2: Local Governance

Output type		Performance measures		Performance targets	
				2006/07 Est. Actual	2007/08 Estimate
1. Municipal Administration					
1.1	To provide and facilitate implementation of legislative and policy framework	• Number of policies, guidelines and legislation formulated		5	4
1.2	All institutions achieving benchmark by 2010	• % of institutions achieving benchmark		25%	40%
1.3	Enhanced competency levels	• Number of capacity building programmes implemented		2	6
1.4	All institutions at local governance participating in Inter-governmental fora by 2010	• Number of participative inter-government fora operational at local government level		10 DCFs	10 DCFs
1.5	All Institutions complying with principles of good governance	• Number of institutions complying with principles		5	10
1.6	All ward committees establishes and fully functional	• Number of ward committees fully functional (of 771)		75	150

Table 11.16: Service delivery measures – Programme 2: Local Governance

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
1.7 Adopted and implemented public participation framework	• Number of municipalities	New	31
1.8 Fully implemented Property Rates Act	• Number of municipalities	New	12
1.9 All municipalities with adequate administrative capacity	• Number of municipalities supported	New	61
2. Municipal Finance			
2.1 To provide and facilitate implementation of legislative and policy framework	• Number of policies, guidelines and legislation formulated	3 finalised	2
2.2 To implement specific programmes	• Number of support programmes implemented	3	3
2.3 No fraud corruption and maladministration	• Number of institutions where there are mechanisms in place to reduce fraud, corruption and maladministration (control = number of Section 106's instituted)	30	18
2.4 All institutions achieving benchmark by 2010	• % of institutions achieving benchmark i.t.o Service Delivery Model	25%	40%
2.5 All institutions achieving unqualified audit reports	• % of institutions achieving unqualified audit reports	10%	30%
2.6 Enhanced competency levels	• Number of capacity building programmes implemented	6	7
3. Municipal Infrastructure			
3.1 All households to receive basic services by 2014	• % households receiving basic services	35%	45%
3.2 All indigent's households to be provided with free basic services	• % of indigent households receiving free basic services	37%	50%
3.3 Eradication of the bucket system	• Number of bucket systems to be eradicated	192	100% in Umzimkhulu
3.4 Manage municipal infrastructure programme	• Provide the necessary benchmark support to municipalities	18%	30%
3.5 Building of sports facilities in support of FIFA 2010	• Sports facilities project implemented in 5 municipalities	10% of work completed	40%
3.6 Technical hands on support to municipalities	• Number of infrastructure development and O & M stabilised in targeted municipalities	1 DM supported	O & M stabilised in 4 districts
3.7 Enhance competency levels	• Number of capacity building programmes implemented	1	1
3.8 Support integrated municipal infrastructure planning	• Number of infrastructure plans aligned with IDPs	58	61
4. Disaster Management			
4.1 Disaster Management Framework developed	• Number of policies and guidelines	1	Review
4.2 Effective provincial disaster management	• Establish provincial Disaster Management Centre to operate at 100%	30%	50%
4.3 Effective disaster management	• Number of district disaster management centres established	3	3
4.4 Support disaster management risk reduction	• Disaster management plans aligned with IDPs	3	3
4.5 Enhanced competency levels	• Number of capacity building programmes implemented	1	1

6.3 Programme 3: Development and Planning

The purpose of this programme is to promote informed integrated planning and development in the province. This aim is to be achieved by, *inter alia*, supporting municipalities in the preparation of their spatial development frameworks in order to guide and manage development, as well as in preparing appropriate Land Use Management Systems (LUMS), in line with municipal IDPs. Further support is also rendered to municipalities with regard to developing and implementing an effective organisational performance management system.

This programme consists of six sub-programmes. From 2007/08, Development Information Services has moved to Programme 6: Systems and Institutional Development.

Table 11.17 and 11.18 below provides a summary of payments and estimates relating to Programme 3.

Table 11.17: Summary of payments and estimates - Programme 3: Development and Planning

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						
					2006/07				
Spatial Planning	2,004	11,756	6,653	6,212	5,089	5,089	6,040	6,603	6,859
Development Admin & Land Use Management	12,414	12,770	13,209	16,573	12,684	12,684	16,059	18,773	19,705
Integrated Development Planning	21,844	19,060	18,148	26,864	20,398	20,398	25,255	31,178	32,637
Provincial Planning & Dev Commission	6,026	5,365	5,471	6,806	6,876	6,876	6,405	7,458	7,864
Special Projects	-	-	48,464	41,500	41,890	41,890	47,810	130,000	175,659
Total	42,288	48,951	91,945	97,955	86,937	86,937	101,569	194,012	242,724

Table 11.18: Summary of payments and estimates by economic classification - Programme 3: Development and Planning

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						
					2006/07				
Current payments	38,923	46,416	47,096	68,737	57,631	57,631	73,528	177,361	214,889
Compensation of employees	18,278	21,637	21,800	32,888	22,540	22,540	32,617	41,752	43,688
Goods and services	20,645	24,779	25,296	35,849	35,091	35,091	40,911	135,609	171,201
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2,558	2,074	44,069	28,523	28,603	28,603	27,410	15,973	27,338
Local government	-	74	41,743	26,023	26,022	26,022	24,785	13,273	24,538
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	26	-	81	81	-	-	-
Other	2,558	2,000	2,300	2,500	2,500	2,500	2,625	2,700	2,800
Payments for capital assets	807	461	780	695	703	703	631	678	497
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	807	459	780	695	703	703	561	578	497
Other	-	2	-	-	-	-	70	100	-
Total	42,288	48,951	91,945	97,955	86,937	86,937	101,569	194,012	242,724

The decrease in the 2006/07 Adjusted Budget against the Development Administration and Integrated Development Planning sub-programmes is mainly due to a lack of capacity to fully implement planned and budgeted activities. The increase over the MTEF is in line with the planned capacitation of units.

The sub-programme: Special Projects, which was created under Programme 3 in the 2005/06 Adjusted Budget to consolidate expenditure directly related to Project Consolidate, has expanded to include Corridor Development and, in 2009/10, Small Town Rehabilitation, and is reflected in the category *Goods and services*.

The category *Compensation of employees* shows a decrease in the 2006/07 Adjusted Budget, due to the number of vacancies which were not filled as originally planned. From 2007/08 onwards, there is a substantial increase to cater for the implementation of the new structure.

The category *Transfers and subsidies to: Local government* is made up of municipal transfers in respect of Project Consolidate. The decrease in 2008/09 is as a result of the decrease in the transfer amount to municipalities in respect of the project.

Service delivery measures – Programme 3: Development and Planning

Table 11.19 gives service delivery information for Programme 3. Although service delivery measures are mostly in line with the generic sector structure, in some instances, the department has adapted these measures to suit its particular needs and circumstances. This programme systematically increases and/or maintains its performance targets, with areas of significant change in respect of the corridor development.

Table 11.19: Service delivery measures – Programme 3: Development and Planning

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
1 Spatial Planning			
1.1 Facilitate the preparation of Spatial Development Frameworks (SDF)	• Number of guidelines developed	1	1 updated ito PGDS
	• Number of Spatial Frameworks reviewed	61	61
	• Number of provincial Spatial Framework developed	Updated Spatial Representation of Provincial profile	1 Provincial SDF
1.2 Shared spatial development vision	• Number of municipal spatial development frameworks and land use management systems facilitated.	51	51
1.3 Support and monitor implementation of LUMS	• Number of LUMS initiated in DMAs	4 initiated	4 DMA LUMs finalised
1.4 Process spatial planning applications	• % compliance with norms and standards set for spatial planning applications where no statutory timelines are set	70%	75%
1.5 Enhanced competency levels	• Number of capacity building programmes implemented	9	1 in 16 municipalities
1.6 All institutions achieving benchmark by 2009	• % of institutions achieving Development Planning benchmark	50%	60%
1.7 Statutory compliance	• % of institutions achieving 60% passing of operational test.	New	50%
1.8 Support provided to the Provincial Planning and Development Commission	• % compliance with Service Level Agreement	60%	100%
2. Development Administration			
2.1 Improve operating framework	• Number of guidelines relating to development administration	2	2
2.2 Finalisation and implementation of new Planning and Development legislation	• Implementation progress	New	Enactment Implementation and training manual
2.3 Enhanced competency levels	• Number of capacity building programmes implemented	1	1 in 20
2.4 All institutions with 60% benchmark by 2010	• % of institutions achieving Development Planning Capacity Benchmark	40%	60%
2.5 Render administrative support to Statutory Bodies (DT, DAT, TPAB & PTB)	• % of compliance with SLA	100%	100%
2.6 Process land development applications	• % compliance with norms and standards set for land development applications where no statutory timelines are set	70%	70%
3. Integrated Development and Planning			
3.1 Facilitate development and review of IDPs in line with PGDS	• Number of guidelines developed	1	1
	• Number of capacity building programmes in line with PMS Model	1	1
	• Number of IDPs assessed	61	61
	• Annual report on IDPs implementation submitted to MEC (Annual Municipal Performance Report)	1	1
3.2 All IDPs aligned to the PGDS and NSDP	• Number of IDPs aligned to the PGDS and NSDP	11	20
3.3 Establish and maintain structures and mechanisms at provincial and municipal level	• Number of Provincial Structures in place	1	Maintain
3.4 All institutions of local governance participating in inter-govt fora by 2014	• Number of participative inter governmental fora established at local government level	10 DC's IDP fora as part of DCF	Maintain
3.5 Enhanced competency levels	• Number of capacity building programmes implemented	Establishment of five district wide planning shared services	Establishment of five district wide planning shared services
3.6 All institutions achieving benchmark by 2010	• % of institutions achieving benchmark	60%	70%
3.7 All provincial departments and parastatals participating effectively in IDPs	• Number of departments participating	5	3
3.8 All institutions receiving unqualified reports	• Number of institutions achieving unqualified audit reports	29	20
3.9 Improve mechanisms for community participation and empowerment	• All IDP process plans to reflect community participation processes	61 IDP	61 IDP
3.10 Informed communities by 2009	• % of ward committees in number of municipalities done customer satisfaction survey	50% in 19 municipalities	50% in 19 additional municipalities

Table 11.19: Service delivery measures – Programme 3: Development and Planning

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
4. Provincial Planning and Development Commission			
4.1 Render professional support to the PPDC	• Number of research programmes conducted	5	5
	• % compliance in processing development applications as per norm	100%	100%
4.2 Support provided to the Commission	• % compliance with Service Level Agreement	80%	100%
5. Special Projects			
5.1 Effective management of Project consolidate in KZN	• % progress in implementation of Provincial Programme of Action	100%	100%
	• % progress in implementation of Municipal plan of action	100%	100% in 29 plans of action
5.2 Building the technical capacity of municipalities	• Number of deployment agreements with Project Consolidate Municipalities secured	New	5
5.3 Increased economic activity in corridor areas	• Number of corridor development projects implemented	2	5
5.4 Support municipalities in distress	• Number of municipalities where MBO has been implemented successfully	2	2

6.4 Programme 4: Traditional Institutional Management

The purpose of this programme is to support and enhance the capacity of traditional authorities/councils. The programme consists of three sub-programmes, namely Traditional Institutional Administration, Traditional Resource Administration and Traditional Land Administration.

Tables 11.20 and 11.21 below summarise payments and estimates relating to Programme 4: Traditional Institutional Management from 2003/04 to 2009/10.

Table 11.20: Summary of payments and estimates - Programme 4: Traditional Institutional Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Traditional Institutional Administration	50,479	52,939	60,256	62,234	82,182	82,182	75,714	81,205	81,686
Traditional Resource Administration	3,829	2,484	3,244	2,860	2,860	2,860	12,732	14,097	11,414
Traditional Land Administration	15,560	13,706	13,290	22,382	13,925	13,925	16,708	17,458	16,570
Total	69,868	69,129	76,790	87,476	98,967	98,967	105,154	112,760	109,670

Table 11.21: Summary of payments and estimates by economic classification - Programme 4: Traditional Institutional Management

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					
Current payments	66,694	67,810	74,499	85,629	91,966	91,966	103,441	111,247	107,518
Compensation of employees	25,370	52,136	52,190	62,341	57,632	57,632	54,225	68,929	72,098
Goods and services	41,324	15,674	22,309	23,288	34,334	34,334	49,216	42,318	35,420
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	668	661	350	482	482	373	395	427
Local government	-	164	164	54	71	71	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	504	497	296	411	411	373	395	427
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	3,174	651	1,630	1,497	6,519	6,519	1,340	1,118	1,725
Buildings and other fixed structures	1,148	-	-	-	4,879	4,879	-	-	-
Machinery and equipment	1,883	618	1,446	1,497	1,640	1,640	1,236	1,007	1,609
Other	143	33	184	-	-	-	104	111	116
Total	69,868	69,129	76,790	87,476	98,967	98,967	105,154	112,760	109,670

The increase in Traditional Institutional Administration in the 2006/07 Adjusted Budget and Estimated Actual is due to a roll-over of R12 million in respect of housing for *Amakhosi*, the *Ubambiswano* project, to fund two conferences, and to pay for further installation ceremonies for *Amakhosi*.

The budget of the Traditional Land Administration sub-programme decreased in the 2006/07 Adjusted Budget, due to savings realised in respect of vacant posts, and the subsequent reprioritisation of funds to the Traditional Institutional Administration sub-programme.

The category *Compensation of employees* shows a decrease in the 2006/07 Adjusted Budget and Estimated Actual, due to delays in the filling of posts. There is a substantial increase from 2008/09 onwards, in line with the planned implementation of the new structure.

Goods and services increases in the 2006/07 Adjusted Budget, mainly in respect of the roll-over relating to conferences and the installation of *Amakhosi*, as mentioned above. From the 2006/07 Adjusted Budget onwards, the budget increases substantially as a result of the additional functions attached to the creation of the eleven Local Houses, in line with the KZN Traditional Leadership and Governance Act.

The increased level of support required by the newly established Provincial and Local Houses led to an increase in the budget of the Traditional Resource Administration sub-programme over the MTEF.

Buildings and other fixed structures increases in 2006/07 Adjusted Budget, due to an additional allocation of R4,9 million which was rolled over in respect of housing for *Amakhosi*.

Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.22 below illustrates service delivery information pertaining to Programme 4.

Table 11.22: Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.22: Service delivery measures – Programme 4: Traditional institutional management			
Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
1. Traditional Institutional Administration			
1.1 Formulation of policies and regulations to give effect to legislation	● Number of policies and regulations formulated	3	3
1.2 Establishment of Traditional Council structures	● Number of Traditional Council structures	183	15 TCs set up
1.3 Enhanced competency levels	● Number of capacity building programmes implemented	5	5
1.4 All Traditional Councils (TCs) achieving benchmark by 2010	● % of Traditional Councils achieving benchmark	25%	25%
1.5 All Traditional Councils for Local Governance participating in inter governmental fora by 2010	● Number of TCs participating in inter governmental fora established at Local Governance level	100%	25%
1.6 All TCs achieving unqualified audit reports	● % of TCs achieving unqualified audit reports	10%	30%
1.7 All TCs complying with good governance	● Number of TCs complying with principles	12	20
1.8 All Local Houses complying with principles of good governance	● % of Traditional Councils achieving 60% compliance	10%	30%
1.9 All TCs established and fully functional by 2010	● % of TCs fully functional	25%	50%
1.10 No fraud, corruption and maladministration	● Number of TCs with no fraud, corruption and maladministration	11	20
1.11 Proclaimed areas of jurisdiction of TCs	● Number of TCs proclaimed	new	17
2. Traditional Resource Administration			
2.1 Support provided to House of Traditional Leaders	● % compliance with Business Plan of the Provincial House	Regular EXCOs	100%
2.2 Statutory Compliance	● Number of Local Houses complying principles	11	11
3. Traditional Land Administration			
3.1 Align land administration function with Communal Land Rights Act	● Number of TC's assisted with the implementation of CLRA	5	5
	● Number of guidelines drafted	1	1
3.2 Manage and register land rights in traditional areas	● Number of LUM plans in traditional Communities:		
	- Phase 1	60	96
	- Phase 2	new	30
	- Umzimkhulu land audit programme	new	1
	● % of land rights applications attended to and % finalised	100% attended to 90% finalised	100% attended to 90% finalised
	● % of land disputes lodged attended to and % resolved	100% attended to 60% finalised	100% attended to 60% finalised

Table 11.22: Service delivery measures – Programme 4: Traditional Institutional Management

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
3.3 Proclaimed areas of jurisdiction of TCs	• Number of TC areas of jurisdiction defined/redefined	10	10
3.4 Enhanced competency Levels	• Number of capacity building programmes implemented	1	1
3.5 All Traditional Councils of local governance participating in inter governmental fora	• Participation in inter govt fora established at local governance level	100%	100%
3.4 Statutory Compliance	• % of Traditional Councils achieving 60% compliance	10%	30%
3.5 Effective communication between TCs and municipalities	• Number of TCs with effective liaison with municipalities	5	5

6.5 Programme 5: Urban and Rural Development

The purpose of this programme is to assist communities that are largely classified within the Second Economy Framework to access socio-economic opportunities and to better grapple with the challenges that are facing them, to better enhance service delivery and improve quality of life.

This programme has five sub-programmes, namely Public Participation - CDWs, Rural Connectivity, Rural Development, Synergistic Partnerships and Urban Development.

The CDW Programme is a critical element of ensuring that government service delivery programmes are co-ordinated and integrated in well established sustainable partnerships. The Integrated Sustainable Rural Development Programme (ISRDP) and Urban Renewal Programme (URP) focus on a developmental shared framework that promotes integrated planning, budgeting and development.

Tables 11.23 and 11.24 below summarise payments and estimates for the period 2003/04 to 2009/10.

Table 11.23: Summary of payments and estimates - Programme 5: Urban and Rural 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
Public Participation -CDWs	-	11,230	11,987	46,076	34,519	37,536	58,191	64,371	72,459
Rural Connectivity	62,958	37,854	19,972	19,781	25,699	27,945	43,322	42,627	44,545
Rural Development	-	8,597	109	17,261	12,084	13,140	20,370	24,358	23,454
Synergistic Partnerships	-	-	-	-	-	-	4,295	4,433	4,633
Urban Development	-	23,126	30,644	2,622	7,791	8,472	8,839	9,950	10,398
Total	62,958	80,807	62,712	85,740	80,093	87,093	135,017	145,739	155,489

Table 11.24 Summary of payments and estimates by economic classification - Programme 5: Urban and Rural 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
Current payments	24,823	64,426	58,055	75,043	69,393	69,393	100,612	113,893	121,969
Compensation of employees	14,250	15,284	14,633	41,619	36,919	36,919	53,873	69,500	73,500
Goods and services	10,573	49,142	43,422	33,424	32,474	32,474	46,739	44,393	48,469
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	230	156	52	55	55	-	-	-
Local government	-	43	54	16	19	19	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	187	102	36	36	36	-	-	-
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	38,135	16,151	4,501	10,645	10,645	17,645	34,405	31,846	33,520
Buildings and other fixed structures	32,842	11,038	4,029	7,280	7,280	14,280	33,505	30,766	32,386
Machinery and equipment	5,293	5,113	468	3,365	3,365	3,365	900	1,080	1,134
Other	-	-	4	-	-	-	-	-	-
Total	62,958	80,807	62,712	85,740	80,093	87,093	135,017	145,739	155,489

The new sub-programme: Public Participation – CDWs reflects the actual and projected costs related to the CDW programme since its inception in 2004/05. The substantial increase in the 2006/07 Main Budget can be attributed to an additional allocation of R29 million. The subsequent decrease in the 2006/07 Adjusted Budget relates to the fact that the CDWs were employed at a lower level than originally budgeted for, and savings were thus realised.

Similarly, additional funds were allocated over the 2006/07 MTEF towards the Rural Connectivity Programme to continue construction as well as the rehabilitation and upgrading of Traditional Administrative Centres (TACs) and Multi-Purpose Community Centres (MPCCs), following the discontinuation of the Provincial Infrastructure conditional grant at the end of 2004/05. The construction costs of the centres are reflected in the category *Buildings and other fixed structures*, and the maintenance thereof in *Goods and services*.

Synergistic Partnerships is a newly created sub-programme from 2007/08 onwards. It is aimed at managing relations between CDWs, municipalities and traditional institutions.

The Provincial Infrastructure conditional grant decreased gradually from 2003/04, and was discontinued at the end of 2004/05. This budget increases from 2006/07 onwards, largely as a result of the additional funding that has been received in the MTEF period for the Rural Connectivity Programme.

Service delivery measures – Programme 5: Urban and Rural Development

Table 11.25 below illustrates service delivery information pertaining to Programme 5.

Table 11.25: Service delivery measures – Programme 5: Urban and Rural Development

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
1. Rural Connectivity Programme			
1.1 Improved access of government services to communities	<ul style="list-style-type: none"> Number of functional satellite MPCCs by 2014 Improved provision and utilisation of support systems 	15 60% completion of renovated / new TACs	20 70% completion of renovated / new TACs
1.2 Enhanced competency levels	<ul style="list-style-type: none"> Number of capacity building programmes implemented 	1	1
2. Rural Development Programme			
2.1 Integrated rural development programme implemented and maintained	<ul style="list-style-type: none"> Level and extent of integrated provision of government services in the poverty pocket areas Corporate Social Investment (CSI) partnership established Structured interventions aimed at addressing 2nd economy 	4 development economic themes for productive/sustainable nodal economics Expand CSI partnerships to all poverty pocket areas 9 catalytic projects (2 per node and Metro)	6 development economic themes for productive/sustainable nodal economics Identify growing critical new markets 10 catalytic projects (2 per node and Metro)
3. Synergistic Partnerships/Community Development Workers Programme			
3.1 Improved access of citizens to govt's social and economic support systems and services	<ul style="list-style-type: none"> No of CDWs engaged in the Learnership programme 	400	410 CDWs recruited, deployed, integrated into Public Service
3.2 Enhanced Competency Levels	<ul style="list-style-type: none"> Number of capacity building programmes implemented 	1	1
3.3 Ensure cohesion in spatial development	<ul style="list-style-type: none"> Number of formalised local development partnerships 	3	6 protocol agreements
4. Urban Rural Development			
4.1 Urban renewal programme implemented and maintained	<ul style="list-style-type: none"> Number of decaying urban poverty pockets regenerated Strengthened partnership between INK node and government departments 	4 regenerated small towns with empowerment zones and enterprise communities Govt Dept's jointly setting strategies & implementing poverty reduction job creation programmes	6 regenerated small towns with empowerment zones and enterprise communities Analyse corporate involvement in the INK node & draw out key lessons for replication and scaling-up

6.6 Programme 6: Systems and Institutional Development

Programme 6: Systems and Institutional Development is a newly created programme as from 2007/08.

The main purpose of this programme is to develop and implement a comprehensive capacity building strategy for the department, in addition to establishing business units to handle monitoring and evaluation and external communications in order to promote municipal and traditional institutional transformation.

This programme consists of the following five sub-programmes: Capacity Building, Monitoring and Evaluation, External Communications, Municipal and Traditional Institutional Transformation and Development Information Services.

The amounts in 2006/07 and prior years represent expenditure which has been restated for comparative purposes in respect of the GIS function, previously under Programme 3: Development and Planning.

Tables 11.26 and 11.27 below summarise payments and estimates for the period 2003/04 to 2009/10.

Equal amounts of R8 million per year have been allocated over the MTEF for the newly established sub-programmes. A concern is raised that no inflationary increases have been provided for, which could lead to spending pressures in the outer years.

Table 11.26: Summary of payments and estimates: Programme 6: Systems and Institutional Development

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						
Capacity Building	-	-	-	-	-	-	8,000	8,000	8,000
Monitoring and Evaluation	-	-	-	-	-	-	8,000	8,000	8,000
External Communications	-	-	-	-	-	-	8,000	8,000	8,000
Municipal and Traditional Institutional Transformation	-	-	-	-	-	-	8,000	8,000	8,000
Development Information Services	11,897	12,717	11,662	13,994	12,154	12,154	12,454	21,696	15,625
Total payments and estimates	11,897	12,717	11,662	13,994	12,154	12,154	44,454	53,696	47,625

Table 11.27: Summary of payments and estimates by economic classification: Programme 6: Systems & Institutional Development

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						
Current payments	11,614	12,356	11,391	13,722	11,702	11,702	44,454	53,696	47,625
Compensation of employees	3,743	4,543	4,314	5,649	4,343	4,343	16,083	19,370	20,819
Goods and services	7,871	7,813	7,077	8,073	7,359	7,359	28,371	34,326	26,806
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Local government	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	283	361	271	272	452	452	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	283	261	271	272	452	452	-	-	-
Other	-	100	-	-	-	-	-	-	-
Total economic classification	11,897	12,717	11,662	13,994	12,154	12,154	44,454	53,696	47,625

Service delivery measures – Programme 6: Systems and Institutional Development

Table 11.28 below illustrates service delivery information pertaining to Programme 6.

Table 11.28: Service delivery measures – Programme 6: Systems and Institutional Development

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
1. Capacity Building			
1.1 Develop comprehensive capacity building strategy	<ul style="list-style-type: none"> Comprehensive strategy developed and implemented 	New	1

Table 11.28: Service delivery measures – Programme 6: Systems and Institutional Development

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
2. Monitoring and Evaluation			
2.1 Monitoring and Evaluation System developed	<ul style="list-style-type: none"> Monitoring and evaluation system & strategy developed Monitoring framework for both province and municipalities developed Balance scorecard developed Internal and external evaluation framework developed 	New New New New	1 1 Developed Developed
3. External communications			
3.1 Develop comprehensive external communication strategy	<ul style="list-style-type: none"> Communications strategy developed 	New	1
4. Municipal and Traditional Institutional Transformation			
4.1 Enhance capacity of municipal and traditional institutions	<ul style="list-style-type: none"> Number of municipal councillors and officials trained Number of capacity building programmes developed Number of <i>Amakhosi</i> and traditional councils trained 	New New New	150 5 100
5. Development Information Services			
5.1 Informed development decision making in KZN	<ul style="list-style-type: none"> Implementation of District Municipal Information Management Systems (DIMS) 	Implement in remaining 5 DMs	Maintain
5.2 Enhanced competency levels	<ul style="list-style-type: none"> Number of capacity building programmes implemented 	1 in 27 municipalities	Implement by district planning shared services
5.3 All institutions achieving benchmark by 2010	<ul style="list-style-type: none"> % of institutions achieving Development Planning Capacity Benchmark 	50% municipalities achieving 60%	60% municipalities achieving 60%
5.4 Establishment of municipal property base database	<ul style="list-style-type: none"> Number of municipal property base database established 	New	1
5.5 Updated provincial and municipal profiles	<ul style="list-style-type: none"> Number of provincial and district profiles established 	New	1 provincial & 10 district profiles

7. Other programme information

7.1 Personnel numbers and costs

Table 11.29 below illustrates the personnel estimates pertaining to the department, per programme.

Table 11.29: 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	355	355	343	425	475	505	539
2. Local Governance	500	334	292	251	286	307	321
3. Development & Planning	136	139	131	111	124	129	135
4. Traditional Institutional Management	225	227	220	209	514	524	531
5. Urban & Rural Development	99	107	103	506	506	506	506
6. Systems & Institutional Development	13	11	9	9	23	34	39
Total	1,328	1,173	1,098	1,511	1,928	2,005	2,071
Total personnel cost (R 000)	141,839	168,247	168,846	200,058	265,877	337,452	361,179
Unit cost (R 000)	107	143	154	132	138	168	174

The decrease over the period 2003/04 to 2006/07 Estimated Actual is due to the resignation and transfers of staff to other departments, while various moratoria were in place for the filling of posts.

The reduction in the number of staff in Programme 2: Local Governance is due to the transfer of R293 staff to municipalities. The increase in 2006/07 in Programme 5: Urban and Rural Development is due to the appointment of 400 Community Development Workers.

Table 11.30 summarises the numbers and costs related to various components and categories of workers within the department. The contract workers are employed to manage Project Consolidate projects.

The department is currently finalising the process of restructuring, and once this has been completed, the number of employees over the next three MTEF years will increase substantially.

Table 11.30: 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
Total for department									
Personnel numbers (head count)	1,328	1,173	1,098	1,904	1,904	1,511	1,928	2,005	2,071
Personnel cost (R'000)	141,839	168,247	168,846	243,450	200,058	200,058	265,877	337,452	361,179
Human resources component									
Personnel numbers (head count)	82	74	69	89	89	80	81	91	98
Personnel cost (R'000)	9,971	9,257	9,055	10,845	10,845	10,086	10,006	14,153	15,923
Head count as % of total for department	6.17	6.31	6.28	4.67	4.67	5.29	4.20	4.54	4.73
Personnel cost as % of total for department	7.03	5.50	5.36	4.45	5.42	5.04	3.76	4.19	4.41
Finance component									
Personnel numbers (head count)	73	73	70	126	126	127	117	132	142
Personnel cost (R'000)	12,199	13,634	12,908	19,199	19,199	16,807	18,270	25,644	28,906
Head count as % of total for department	5.50	6.22	6.38	6.62	6.62	8.41	6.07	6.58	6.86
Personnel cost as % of total for department	8.60	8.10	7.64	7.89	9.60	8.40	6.87	7.60	8.00
Full time workers									
Personnel numbers (head count)	1,173	1,098	1,090	1,896	1,896	1,503	1,920	1,992	2,058
Personnel cost (R'000)	141,839	168,247	168,079	242,132	242,132	237,734	238,113	317,394	357,998
Head count as % of total for department	88.33	93.61	99.27	99.58	99.58	99.47	99.59	99.35	99.37
Personnel cost as % of total for department	100.00	100.00	99.55	99.46	121.03	118.83	89.56	94.06	99.12
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R'000)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	-	-	8	8	8	8	8	13	13
Personnel cost (R'000)	-	-	767	1,318	1,318	1,962	2,815	3,044	3,181
Head count as % of total for department	-	-	0.73	0.42	0.42	0.53	0.41	0.65	0.63
Personnel cost as % of total for department	-	-	0.45	0.54	0.66	0.98	1.06	0.90	0.88

7.2 Training

Table 11.31 below reflects departmental expenditure pertaining to the department per programme over the seven-year period under review.

Table 11.31: Expenditure on training

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06	2006/07			2007/08	2008/09	2009/10
1. Administration	1,589	2,118	2,018	2,943	2,943	1,794	2,829	3,204	3,525
2. Local Governance	400	-	-	-	-	-	-	-	-
3. Development & Planning	569	-	-	-	-	-	-	-	-
4. Traditional Institutional Management	221	-	-	-	-	-	-	-	-
5. Urban & Rural Development	421	77	-	-	-	-	-	-	-
6. Systems & Institutional Development	-	-	-	-	-	-	-	-	-
Total	3,200	2,195	2,018	2,943	2,943	1,794	2,829	3,204	3,525

The training budget for the department was centralised under Programme 1 to facilitate the management of all training undertaken in the department in so far as accreditation of training institutes, the need for training in terms of each employee's personal development plan, and monthly reporting to PSETA are concerned.

The training budget available over the MTEF is slightly more than the 1 per cent of the total personnel costs, which is required to be set aside for training in terms of the Skills Development Act. The amount allocated is based upon the decision to phase in the filling of posts on the new structure. Furthermore, consideration was given to historical trends which indicate that less funding is spent on training for higher level posts. The situation will be reviewed on an ongoing basis.

ANNEXURE TO VOTE 11 – LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS

Table 11.A: 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	-	-	-	-	-	-	-	-	-
Casino taxes									
Motor vehicle licenses									
Horseracing									
Other taxes									
Non-tax receipts	2,896	1,170	1,053	1,113	1,113	684	1,154	1,290	1,387
Sale of goods and services other than capital asset	1,515	570	553	633	633	602	654	775	833
Sales of goods and services produced by dept.	1,515	570	553	633	633	602	654	775	833
Sales by market establishments									
Administrative fees									
Other sales	1,515	570	553	633	633	602	654	775	833
Of which									
Rent for Parking	69	75	-	78	78	78	80	85	95
Housing Rent Recoveries	237	227	-	263	263	275	273	280	301
Transport of Officers	-	-	-	12	12	14	12	12	12
Other	1,209	268	553	280	280	235	289	398	425
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Fines, penalties and forfeits									
Interest, dividends and rent on land	1,381	600	500	480	480	82	500	515	554
Interest	1,381	600	500	480	480	82	500	515	554
Dividends									
Rent on land									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Sales of capital assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets									
Financial transactions	-	(227)	900	-	-	552	-	-	-
Total	2,896	943	1,953	1,113	1,113	1,236	1,154	1,290	1,387

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

R000	Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Current payments	358,307	391,959	365,898	503,905	568,179	568,179	583,933	716,446	818,581
Compensation of employees	141,839	168,247	168,846	243,450	200,058	200,058	265,877	337,452	361,179
Salaries and wages	119,099	145,635	144,793	213,680	172,507	172,507	226,081	287,392	307,666
Social contributions	22,740	22,612	24,053	29,770	27,551	27,551	39,796	50,060	53,513
Goods and services	216,343	223,434	196,127	260,455	368,121	368,121	318,056	378,994	457,402
of which									
Venues & Facilities	102	300	353	353	4,958	4,958	846	852	918
Advertising	1,539	2,657	6,487	5,479	6,608	6,608	10,048	9,983	11,821
Consultants	37,635	31,149	45,200	55,601	93,331	93,331	106,029	93,795	267,874
Computer services	5,310	8,371	8,237	8,885	7,466	7,466	12,618	11,747	12,325
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	125	278	925	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	23,158	33,897	89,084	75,232	93,390	93,390	131,891	175,976	227,836
Local government	-	12,782	67,489	72,274	71,379	71,379	128,785	172,773	224,501
Municipalities	-	12,782	67,489	72,274	71,379	71,379	128,785	172,773	224,501
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	23,158	19,600	19,900	2,500	19,500	19,500	2,625	2,700	2,800
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	23,158	19,600	19,900	2,500	19,500	19,500	2,625	2,700	2,800
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	1,515	1,695	458	2,511	2,511	481	503	535
Social benefits	-	1,514	1,695	458	2,511	2,511	481	503	535
Other transfers to households	-	1	-	-	-	-	-	-	-
Payments for capital assets	49,086	27,786	15,990	16,448	25,737	32,737	52,246	43,412	50,437
Buildings and other fixed structures	34,134	11,067	4,029	7,280	12,159	19,159	33,505	30,766	32,386
Buildings	32,986	11,067	4,029	7,280	12,159	19,159	33,505	30,766	32,386
Other fixed structures	1,148	-	-	-	-	-	-	-	-
Machinery and equipment	14,809	16,271	11,579	9,168	13,578	13,578	18,532	12,435	17,935
Transport equipment	506	6,374	4,274	-	3,629	3,629	7,610	6,064	11,633
Other machinery and equipment	14,303	9,897	7,305	9,168	9,949	9,949	10,922	6,371	6,302
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	143	448	382	-	-	-	209	211	116
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	430,551	453,642	470,972	595,585	687,306	694,306	768,070	935,834	1,096,854

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

R000	Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Current payments	73,127	84,020	96,809	108,664	102,015	102,015	132,909	156,581	175,121
Compensation of employees	43,197	44,363	46,554	61,826	49,618	49,618	63,280	89,066	102,642
Salaries and wages	35,995	37,109	39,719	52,567	42,601	42,601	54,105	76,151	87,759
Social contributions	7,202	7,254	6,835	9,259	7,017	7,017	9,175	12,915	14,883
Goods and services	29,930	39,657	50,255	46,838	52,397	52,397	69,629	67,515	72,479
of which									
Venues & Facilities	102	300	353	246	714	714	846	852	918
Advertising	840	1,427	4,863	3,168	4,317	4,317	8,679	8,785	10,397
Consultants	5,306	1,610	1,672	708	1,686	1,686	2,943	996	1,050
Computer services	5,309	8,368	7,937	8,885	7,466	7,466	12,618	11,747	12,325
Other	18,373	27,952	35,430	33,831	38,214	38,214	44,543	45,135	47,789
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	-	629	524	181	1,938	1,938	108	108	108
Local government	-	125	133	55	35	35	-	-	-
Municipalities	-	125	133	55	35	35	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	-	504	391	126	1,903	1,903	108	108	108
Social benefits	-	504	391	126	1,903	1,903	108	108	108
Other transfers to households									
Payments for capital assets	5,885	9,403	8,324	2,053	6,945	6,945	14,870	9,070	14,295
Buildings and other fixed structures	144	29	-	-	-	-	-	-	-
Buildings	144	29		-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	5,741	9,061	8,130	2,053	6,945	6,945	14,835	9,070	14,295
Transport equipment	506	6,374	4,274	-	3,629	3,629	7,610	6,064	11,633
Other machinery and equipment	5,235	2,687	3,856	2,053	3,316	3,316	7,225	3,006	2,662
Cultivated assets									
Software and other intangible assets	-	313	194	-	-	-	35	-	-
Land and subsoil assets									
Total	79,012	94,052	105,657	110,898	110,898	110,898	147,887	165,759	189,524

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

R000	Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Current payments	143,001	116,653	77,123	152,110	235,472	235,472	128,989	103,668	151,459
Compensation of employees	37,001	30,284	29,355	39,127	29,006	29,006	45,799	48,835	48,432
Salaries and wages	31,687	25,583	25,245	32,867	24,800	24,800	37,555	40,045	39,715
Social contributions	5,314	4,701	4,110	6,260	4,206	4,206	8,244	8,790	8,717
Goods and services	106,000	86,369	47,768	112,983	206,466	206,466	83,190	54,833	103,027
of which									
Venues & Facilities	-	93	273	1,200	1,200	1,200	604	711	881
Advertising	-	362	336	1,176	1,176	1,176	-	-	-
Consultants	12,003	13,304	19,709	24,546	53,532	53,532	29,658	27,650	56,952
Computer services	1	1	-	-	-	-	-	-	-
Other	93,996	72,609	27,450	86,061	150,558	150,558	52,928	26,472	45,194
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	20,600	30,296	43,674	46,126	62,312	62,312	104,000	159,500	199,963
Local government	-	12,376	25,395	46,126	45,232	45,232	104,000	159,500	199,963
Municipalities	-	12,376	25,395	46,126	45,232	45,232	104,000	159,500	199,963
Municipal agencies and funds									
Departmental agencies and accounts	20,600	17,600	17,600	-	17,000	17,000	-	-	-
Social security funds									
Entities receiving funds	20,600	17,600	17,600	-	17,000	17,000	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	-	320	679	-	80	80	-	-	-
Social benefits	-	320	679	-	80	80	-	-	-
Other transfers to households									
Payments for capital assets	802	759	484	1,286	473	473	1,000	700	400
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	802	759	484	1,286	473	473	1,000	700	400
Transport equipment									
Other machinery and equipment	802	759	484	1,286	473	473	1,000	700	400
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	164,403	147,708	121,281	199,522	298,257	298,257	233,989	263,868	351,822

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

R000	Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Current payments	38,923	46,416	47,096	68,737	57,631	57,631	73,528	177,361	214,889
Compensation of employees	18,278	21,637	21,800	32,888	22,540	22,540	32,617	41,752	43,688
Salaries and wages	15,294	18,490	18,748	28,523	19,584	19,584	27,888	35,698	37,356
Social contributions	2,984	3,147	3,052	4,365	2,956	2,956	4,729	6,054	6,332
Goods and services	20,645	24,779	25,296	35,849	35,091	35,091	40,911	135,609	171,201
of which									
Venues & Facilities	332	1,661	1,839	2,499	1,499	1,499	2,538	2,380	2,574
Advertising	693	527	521	692	692	692	918	756	975
Consultants	5,689	3,080	6,139	5,224	2,707	2,707	28,585	13,220	164,969
Computer services	-	-	-	-	-	-	-	-	-
Other	13,931	19,511	16,797	27,434	30,193	30,193	8,870	119,253	2,683
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	2,558	2,074	44,069	28,523	28,603	28,603	27,410	15,973	27,338
Local government	-	74	41,743	26,023	26,022	26,022	24,785	13,273	24,538
Municipalities	-	74	41,743	26,023	26,022	26,022	24,785	13,273	24,538
Municipal agencies and funds									
Departmental agencies and accounts	2,558	2,000	2,300	2,500	2,500	2,500	2,625	2,700	2,800
Social security funds									
Entities receiving funds	2,558	2,000	2,300	2,500	2,500	2,500	2,625	2,700	2,800
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	-	-	26	-	81	81	-	-	-
Social benefits	-	-	26	-	81	81	-	-	-
Other transfers to households									
Payments for capital assets	807	461	780	695	703	703	631	678	497
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	807	459	780	695	703	703	561	578	497
Transport equipment									
Other machinery and equipment	807	459	780	695	703	703	561	578	497
Cultivated assets									
Software and other intangible assets	-	2	-	-	-	-	70	100	-
Land and subsoil assets									
Total	42,288	48,951	91,945	97,955	86,937	86,937	101,569	194,012	242,724

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

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
Current payments	66,694	67,810	74,499	85,629	91,966	91,966	103,441	111,247	107,518
Compensation of employees	25,370	52,136	52,190	62,341	57,632	57,632	54,225	68,929	72,098
Salaries and wages	20,985	47,701	44,883	56,392	49,852	49,852	46,363	58,934	61,644
Social contributions	4,385	4,435	7,307	5,949	7,780	7,780	7,862	9,995	10,454
Goods and services	41,324	15,674	22,309	23,288	34,334	34,334	49,216	42,318	35,420
of which									
Venues & Facilities	-	35	545	120	350	350	180	190	200
Advertising	6	206	556	244	244	244	331	332	339
Consultants	8,949	2,362	5,241	4,501	15,317	15,317	14,633	17,020	10,936
Computer services									
Other	32,369	13,071	15,967	18,423	18,423	18,423	34,072	24,776	23,945
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	-	668	661	350	482	482	373	395	427
Local government	-	164	164	54	71	71	-	-	-
Municipalities	-	164	164	54	71	71	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	-	504	497	296	411	411	373	395	427
Social benefits	-	503	497	296	411	411	373	395	427
Other transfers to households	-	1	-	-	-	-	-	-	-
Payments for capital assets	3,174	651	1,630	1,497	6,519	6,519	1,340	1,118	1,725
Buildings and other fixed structures	1,148	-	-	-	4,879	4,879	-	-	-
Buildings	-	-	-	-	4,879	4,879	-	-	-
Other fixed structures	1,148	-	-	-	-	-	-	-	-
Machinery and equipment	1,883	618	1,446	1,497	1,640	1,640	1,236	1,007	1,609
Transport equipment									
Other machinery and equipment	1,883	618	1,446	1,497	1,640	1,640	1,236	1,007	1,609
Cultivated assets									
Software and other intangible assets	143	33	184	-	-	-	104	111	116
Land and subsoil assets									
Total	69,868	69,129	76,790	87,476	98,967	98,967	105,154	112,760	109,670

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

R000	Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Current payments	24,823	64,426	58,055	75,043	69,393	69,393	100,612	113,893	121,969
Compensation of employees	14,250	15,284	14,633	41,619	36,919	36,919	53,873	69,500	73,500
Salaries and wages	11,919	12,845	12,488	38,473	31,935	31,935	46,062	59,422	62,842
Social contributions	2,331	2,439	2,145	3,146	4,984	4,984	7,811	10,078	10,658
Goods and services	10,573	49,142	43,422	33,424	32,474	32,474	46,739	44,393	48,469
of which									
Venues & Facilities	-	37	8,491	1,195	1,195	1,195	890	930	970
Advertising	-	135	211	199	179	179	120	110	110
Consultants	5,688	10,793	12,439	20,622	20,089	20,089	30,210	34,909	33,967
Computer services	-	2	300	-	-	-	-	-	-
Other	4,885	38,175	21,981	11,408	11,011	11,011	15,519	8,444	13,422
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	-	230	156	52	55	55	-	-	-
Local government	-	43	54	16	19	19	-	-	-
Municipalities	-	43	54	16	19	19	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	-	187	102	36	36	36	-	-	-
Social benefits	-	187	102	36	36	36	-	-	-
Other transfers to households									
Payments for capital assets	38,135	16,151	4,501	10,645	10,645	17,645	34,405	31,846	33,520
Buildings and other fixed structures	32,842	11,038	4,029	7,280	7,280	14,280	33,505	30,766	32,386
Buildings	32,842	11,038	4,029	7,280	7,280	14,280	33,505	30,766	32,386
Other fixed structures									
Machinery and equipment	5,293	5,113	468	3,365	3,365	3,365	900	1,080	1,134
Transport equipment									
Other machinery and equipment	5,293	5,113	468	3,365	3,365	3,365	900	1,080	1,134
Cultivated assets									
Software and other intangible assets	-	-	4	-	-	-	-	-	-
Land and subsoil assets									
Total	62,958	80,807	62,712	85,740	80,093	87,093	135,017	145,739	155,489

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Table 11.H: Details of payments and estimates by economic classification - Programme 6: Systems and Institutional Development

R000	Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Current payments	11,614	12,356	11,391	13,722	11,702	11,702	44,454	53,696	47,625
Compensation of employees	3,743	4,543	4,314	5,649	4,343	4,343	16,083	19,370	20,819
Salaries and wages	3,219	3,907	3,710	4,858	3,735	3,735	14,108	17,142	18,350
Social contributions	524	636	604	791	608	608	1,975	2,228	2,469
Goods and services	7,871	7,813	7,077	8,073	7,359	7,359	28,371	34,326	26,806
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Local government	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	283	361	271	272	452	452	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	283	261	271	272	452	452	-	-	-
Transport equipment									
Other machinery and equipment	283	261	271	272	452	452	-	-	-
Cultivated assets									
Software and other intangible assets	-	100	-	-	-	-	-	-	-
Land and subsoil assets									
Total economic classification2	11,897	12,717	11,662	13,994	12,154	12,154	44,454	53,696	47,625

Table 11.I: Details of expense on infrastructure

Type of Infrastructure	Programme	Number of projects	Total costs	Medium-term estimates		
				2007/08	2008/09	2009/10
Capital		-	475,120	122,505	170,266	182,349
New constructions		-	82,158	28,479	26,151	27,528
1 MPCC Construction existing funds	Programme 5		82,158	28,479	26,151	27,528
Rehabilitation		-	14,499	5,026	4,615	4,858
1 TACs additional funding from Provincial Treasury	Programme 5		14,499	5,026	4,615	4,858
Other capital projects		-	-	-	-	-
Infrastructure transfers		-	378,463	89,000	139,500	149,963
3 Soccer Stadia	Programme 2		378,463	89,000	139,500	149,963
Current		-	18,008	4,710	6,606	6,692
Maintenance	Programme 5		18,008	4,710	6,606	6,692
Total		-	493,128	127,215	176,872	189,041

Table 11.J: Summary of transfers to municipalities

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
A eThekweni	-	72	75	22	28	28	45,000	89,500	-
Total: Ugu Municipalities	-	2,300	6,040	8,350	9,050	9,050	9,500	12,000	5,000
B KZ211 Vulamehlo	-	900	2,840	300	550	550	-	-	-
B KZ212 Umdoni	-	-	100	-	-	-	-	-	-
B KZ213 Umzumbi	-	500	1,600	750	500	500	-	-	-
B KZ214 uMuziwabantu	-	-	700	500	500	500	-	-	-
B KZ215 Ezingolweni	-	900	800	500	-	-	-	-	-
B KZ216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	6,300	7,500	7,500	9,500	12,000	5,000
Total: uMgungundlovu Municipalities	-	188	7,966	11,071	11,921	11,921	21,500	22,000	5,000
B KZ221 uMshwathi	-	-	2,150	500	-	-	-	-	-
B KZ222 uMngeni	-	-	1,200	300	300	300	-	-	-
B KZ223 Mpojana	-	-	-	-	-	-	-	-	-
B KZ224 Impendle	-	-	700	300	-	-	-	-	-
B KZ225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZ226 Mkhambathini	-	-	800	400	1,550	1,550	-	-	-
B KZ227 Richmond	-	-	2,910	500	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	188	206	9,071	10,071	10,071	21,500	22,000	5,000
Total: Uthukela Municipalities	-	1,800	7,469	1,150	1,400	1,400	1,500	2,000	5,000
B KZ232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZ233 Indaka	-	900	3,139	500	750	750	-	-	-
B KZ234 Umtshezi	-	-	880	-	-	-	-	-	-
B KZ235 Okhahlamba	-	-	1,900	200	200	200	-	-	-
B KZ236 Imbabazane	-	900	800	450	450	450	-	-	-
C DC23 Uthukela District Municipality	-	-	750	-	-	-	1,500	2,000	5,000
Total: Umzinyathi Municipalities	-	1,728	3,865	1,104	3,404	3,404	1,500	2,000	5,000
B KZ241 Endumeni	-	-	-	-	300	300	-	-	-
B KZ242 Nquthu	-	800	2,300	700	700	700	-	-	-
B KZ244 Usinga	-	923	1,560	400	2,400	2,400	-	-	-
B KZ245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	5	5	4	4	4	1,500	2,000	5,000
Total: Amajuba Municipalities	-	-	1,300	6,800	10,000	10,000	9,500	12,000	5,000
B KZ252 Newcastle	-	-	-	-	2,000	2,000	-	-	-
B KZ253 eMadlangeni	-	-	300	500	500	500	-	-	-
B KZ254 Dannhauser	-	-	500	-	500	500	-	-	-
C DC25 Amajuba District Municipality	-	-	500	6,300	7,000	7,000	9,500	12,000	5,000
Total: Zululand Municipalities	-	215	10,348	1,917	5,261	5,261	1,500	2,000	5,000
B KZ261 eDumbe	-	-	-	400	400	400	-	-	-
B KZ262 uPhongolo	-	-	900	500	500	500	-	-	-
B KZ263 Abaqulusi	-	-	3,234	250	2,084	2,084	-	-	-
B KZ265 Nongoma	-	-	4,000	400	100	100	-	-	-
B KZ266 Ulundi	-	-	2,000	300	2,110	2,110	-	-	-
C DC26 Zululand District Municipality	-	215	214	67	67	67	1,500	2,000	5,000
Total: Umkhanyakude Municipalities	-	2,807	12,999	2,860	9,263	9,263	1,500	2,000	5,000
B KZ271 Umhlabyalingana	-	900	3,500	500	2,000	2,000	-	-	-
B KZ272 Jozini	-	500	3,542	600	2,803	2,803	-	-	-
B KZ273 The Big Five False Bay	-	900	900	750	3,950	3,950	-	-	-
B KZ274 Hlabisa	-	500	3,300	500	-	-	-	-	-
B KZ275 Mtubatuba	-	-	1,000	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	7	757	510	510	510	1,500	2,000	5,000
Total: uThungulu Municipalities	-	2,300	9,330	2,900	6,500	6,500	1,500	2,000	5,000
B KZ281 Mbonambi	-	900	1,300	700	1,150	1,150	-	-	-
B KZ282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZ283 Ntambanana	-	500	1,530	500	800	800	-	-	-
B KZ284 Umlalazi	-	-	-	500	3,200	3,200	-	-	-
B KZ285 Mthonjaneni	-	-	1,550	500	100	100	-	-	-
B KZ286 Nkandla	-	900	1,750	700	1,250	1,250	-	-	-
C DC28 uThungulu District Municipality	-	-	3,200	-	-	-	1,500	2,000	5,000
Total: Ilembe Municipalities	-	1,372	833	8,200	9,082	9,082	9,500	12,000	5,000
B KZ291 Mandeni	-	-	500	500	500	500	-	-	-
B KZ292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZ293 Ndwedwe	-	800	150	700	782	782	-	-	-
B KZ294 Maphumulo	-	569	180	700	800	800	-	-	-
C DC29 Ilembe District Municipality	-	3	3	6,300	7,000	7,000	9,500	12,000	5,000
Total: Sisonke Municipalities	-	-	7,264	1,900	5,470	5,470	1,500	2,000	5,000
B KZ5a1 Ingwe	-	-	1,650	700	900	900	-	-	-
B KZ5a2 Kwa Sani	-	-	2,060	500	500	500	-	-	-
B KZ5a3 Matatiele	-	-	-	-	1,600	1,600	-	-	-
B KZ5a4 Kokstad	-	-	1,404	-	170	170	-	-	-
B KZ5a5 Ubuhlebezwe	-	-	900	400	1,000	1,000	-	-	-
B KZ5a6 Umzimkhulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	1,250	300	1,300	1,300	1,500	2,000	5,000
Unallocated	-	-	-	26,000	-	-	24,785	13,273	174,501
Total	-	12,782	67,489	72,274	71,379	71,379	128,785	172,773	224,501

Table 11.K: Transfers to municipalities - Provincial Management Assistance 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
A eThekweni									
Total: Ugu Municipalities	-	2,300	3,290	2,050	500	500	1,500	2,000	5,000
B KZ211 Vulamehlo	-	900	790	300	-	-	-	-	-
B KZ212 Umdoni	-	-	100	-	-	-	-	-	-
B KZ213 Umzumbi	-	500	900	750	-	-	-	-	-
B KZ214 uMuziwabantu	-	-	700	500	500	500	-	-	-
B KZ215 Ezingolweni	-	900	800	500	-	-	-	-	-
B KZ216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	1,500	2,000	5,000
Total: uMgungundlovu Municipalities	-	-	2,700	2,000	700	700	1,500	2,000	5,000
B KZ221 uMshwathi	-	-	-	500	-	-	-	-	-
B KZ222 uMngeni	-	-	500	300	300	300	-	-	-
B KZ223 Mpofana	-	-	-	-	-	-	-	-	-
B KZ224 Impendle	-	-	700	300	-	-	-	-	-
B KZ225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZ226 Mkhambathini	-	-	800	400	400	400	-	-	-
B KZ227 Richmond	-	-	700	500	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	1,500	2,000	5,000
Total: Uthukela Municipalities	-	1,800	3,730	1,150	950	950	1,500	2,000	5,000
B KZ232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZ233 Indaka	-	900	800	500	500	500	-	-	-
B KZ234 Umtshezi	-	-	880	-	-	-	-	-	-
B KZ235 Okhahlamba	-	-	500	200	-	-	-	-	-
B KZ236 Imbabazane	-	900	800	450	450	450	-	-	-
C DC23 Uthukela District Municipality	-	-	750	-	-	-	1,500	2,000	5,000
Total: Umzinyathi Municipalities	-	1,723	1,600	1,100	1,400	1,400	1,500	2,000	5,000
B KZ241 Endumeni	-	-	-	-	300	300	-	-	-
B KZ242 Nquthu	-	800	800	700	700	700	-	-	-
B KZ244 Usinga	-	923	800	400	400	400	-	-	-
B KZ245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	1,500	2,000	5,000
Total: Amajuba Municipalities	-	-	1,000	500	3,000	3,000	1,500	2,000	5,000
B KZ252 Newcastle	-	-	-	-	2,000	2,000	-	-	-
B KZ253 eMadlangeni	-	-	-	500	500	500	-	-	-
B KZ254 Dannhauser	-	-	500	-	500	500	-	-	-
C DC25 Amajuba District Municipality	-	-	500	-	-	-	1,500	2,000	5,000
Total: Zululand Municipalities	-	-	3,150	1,850	1,450	1,450	1,500	2,000	5,000
B KZ261 eDumbe	-	-	-	400	400	400	-	-	-
B KZ262 uPhongolo	-	-	900	500	500	500	-	-	-
B KZ263 Abaqulusi	-	-	750	250	250	250	-	-	-
B KZ265 Nongoma	-	-	500	400	-	-	-	-	-
B KZ266 Ulundi	-	-	1,000	300	300	300	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	1,500	2,000	5,000
Total: Umkhanyakude Municipalities	-	2,800	3,792	2,850	1,850	1,850	1,500	2,000	5,000
B KZ271 Umhlabyalingana	-	900	500	500	-	-	-	-	-
B KZ272 Jozini	-	500	792	600	600	600	-	-	-
B KZ273 The Big Five False Bay	-	900	750	750	750	750	-	-	-
B KZ274 Hlabisa	-	500	-	500	-	-	-	-	-
B KZ275 Mtubatuba	-	-	1,000	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	750	500	500	500	1,500	2,000	5,000
Total: uThungulu Municipalities	-	2,300	3,000	2,900	750	750	1,500	2,000	5,000
B KZ281 Mbonambi	-	900	700	700	-	-	-	-	-
B KZ282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZ283 Ntambanana	-	500	900	500	-	-	-	-	-
B KZ284 Umlalazi	-	-	-	500	500	500	-	-	-
B KZ285 Mthonjaneni	-	-	700	500	-	-	-	-	-
B KZ286 Nkandla	-	900	700	700	250	250	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	1,500	2,000	5,000
Total: Ilembe Municipalities	-	1,369	500	1,900	1,200	1,200	1,500	2,000	5,000
B KZ291 Mandeni	-	-	500	500	500	500	-	-	-
B KZ292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZ293 Ndwedwe	-	800	-	700	700	700	-	-	-
B KZ294 Maphumulo	-	569	-	700	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	1,500	2,000	5,000
Total: Sisonke Municipalities	-	-	2,650	1,900	2,400	2,400	1,500	2,000	5,000
B KZ5a1 Ingwe	-	-	700	700	700	700	-	-	-
B KZ5a2 Kwa Sani	-	-	500	500	500	500	-	-	-
B KZ5a3 Matatiele	-	-	-	-	500	500	-	-	-
B KZ5a4 Kokstad	-	-	-	-	-	-	-	-	-
B KZ5a5 Ubuhlebezwe	-	-	700	400	400	400	-	-	-
B KZ5a6 Umzimkhulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	750	300	300	300	1,500	2,000	5,000
Unallocated									
Total	-	12,292	25,412	18,200	14,200	14,200	15,000	20,000	50,000

Table 11.L: Transfers to municipalities - Infrastructure provision for soccer stadia

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		2006/07				
A eThekweni	-	-	-	-	-	-	45,000	89,500	-
Total: Ugu Municipalities	-	-	-	6,300	7,000	7,000	8,000	10,000	-
B KZ211 Vulamehlo									
B KZ212 Umdoni									
B KZ213 Umzumbe									
B KZ214 uMuziwabantu									
B KZ215 Ezingolweni									
B KZ216 Hibiscus Coast									
C DC21 Ugu District Municipality	-	-	-	6,300	7,000	7,000	8,000	10,000	-
Total: uMgungundlovu Municipalities	-	-	-	9,000	10,000	10,000	20,000	20,000	-
B KZ221 uMshwathi									
B KZ222 uMngeni									
B KZ223 Mpofana									
B KZ224 Impendle									
B KZ225 Msunduzi									
B KZ226 Mkhambathini									
B KZ227 Richmond									
C DC22 uMgungundlovu District Municipality	-	-	-	9,000	10,000	10,000	20,000	20,000	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZ232 Emnambithi/Ladysmith									
B KZ233 Indaka									
B KZ234 Umtshezi									
B KZ235 Okhahlamba									
B KZ236 Imbabazane									
C DC23 Uthukela District Municipality									
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZ241 Endumeni									
B KZ242 Nquthu									
B KZ244 Usinga									
B KZ245 Umvoti									
C DC24 Umzinyathi District Municipality									
Total: Amajuba Municipalities	-	-	-	6,300	7,000	7,000	8,000	10,000	-
B KZ252 Newcastle									
B KZ253 eMadlangeni									
B KZ254 Dannhauser									
C DC25 Amajuba District Municipality	-	-	-	6,300	7,000	7,000	8,000	10,000	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZ261 eDumbe									
B KZ262 uPhongolo									
B KZ263 Abaqulusi									
B KZ265 Nongoma									
B KZ266 Ulundi									
C DC26 Zululand District Municipality									
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	-	-	-	-	-	-	-	-	-
B KZ281 Mbonambi									
B KZ282 uMhlathuze									
B KZ283 Ntambanana									
B KZ284 Umlalazi									
B KZ285 Mthonjaneni									
B KZ286 Nkandla									
C DC28 uThungulu District Municipality									
Total: Ilembe Municipalities	-	-	-	6,300	7,000	7,000	8,000	10,000	-
B KZ291 Mandeni									
B KZ292 KwaDukuza									
B KZ293 Ndwedwe									
B KZ294 Maphumulo									
C DC29 Ilembe District Municipality	-	-	-	6,300	7,000	7,000	8,000	10,000	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
B KZ5a1 Ingwe									
B KZ5a2 Kwa Sani									
B KZ5a3 Matatiele									
B KZ5a4 Kokstad									
B KZ5a5 Ubuhlebezwe									
B KZ5a6 Umzimkhulu									
C DC43 Sisonke District Municipality									
Unallocated	-	-	-	-	-	-	-	-	149,963
Total	-	-	-	27,900	31,000	31,000	89,000	139,500	149,963

Table 11.M: Transfers to municipalities - Project Consolidate

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
A eThekweni									
Total: Ugu Municipalities	-	-	2,750	-	1,550	1,550	-	-	-
B KZ211 Vulamehlo	-	-	2,050	-	550	550	-	-	-
B KZ212 Umdoni	-	-		-			-	-	-
B KZ213 Umzumbi	-	-	700	-	500	500	-	-	-
B KZ214 uMuziwabantu	-	-		-			-	-	-
B KZ215 Ezingolweni	-	-		-			-	-	-
B KZ216 Hibiscus Coast	-	-		-			-	-	-
C DC21 Ugu District Municipality	-	-	-	-	500	500	-	-	-
Total: uMgungundlovu Municipalities	-	-	5,060	-	1,150	1,150	-	-	-
B KZ221 uMshwathi	-	-	2,150	-	-	-	-	-	-
B KZ222 uMngeni	-	-	700	-	-	-	-	-	-
B KZ223 Mpofana	-	-		-			-	-	-
B KZ224 Impendle	-	-		-			-	-	-
B KZ225 Msunduzi	-	-		-			-	-	-
B KZ226 Mkhambathini	-	-	-	-	1,150	1,150	-	-	-
B KZ227 Richmond	-	-	2,210	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-			-	-	-
Total: Uthukela Municipalities	-	-	3,739	-	450	450	-	-	-
B KZ232 Emnambithi/Ladysmith	-	-		-			-	-	-
B KZ233 Indaka	-	-	2,339	-	250	250	-	-	-
B KZ234 Umtshezi	-	-		-			-	-	-
B KZ235 Okhahlamba	-	-	1,400	-	200	200	-	-	-
B KZ236 Imbabazane	-	-		-			-	-	-
C DC23 Uthukela District Municipality	-	-	-	-			-	-	-
Total: Umzinyathi Municipalities	-	-	2,260	-	2,000	2,000	-	-	-
B KZ241 Endumeni	-	-		-			-	-	-
B KZ242 Nquthu	-	-	1,500	-	-	-	-	-	-
B KZ244 Usinga	-	-	760	-	2,000	2,000	-	-	-
B KZ245 Umvoti	-	-		-			-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-			-	-	-
Total: Amajuba Municipalities	-	-	300	-	-	-	-	-	-
B KZ252 Newcastle	-	-		-			-	-	-
B KZ253 eMadlangeni	-	-	300	-	-	-	-	-	-
B KZ254 Dannhauser	-	-		-			-	-	-
C DC25 Amajuba District Municipality	-	-	-	-			-	-	-
Total: Zululand Municipalities	-	-	6,984	-	3,744	3,744	-	-	-
B KZ261 eDumbe	-	-		-			-	-	-
B KZ262 uPhongolo	-	-		-			-	-	-
B KZ263 Abaqulusi	-	-	2,484	-	1,834	1,834	-	-	-
B KZ265 Nongoma	-	-	3,500	-	100	100	-	-	-
B KZ266 Ulundi	-	-	1,000	-	1,810	1,810	-	-	-
C DC26 Zululand District Municipality	-	-	-	-			-	-	-
Total: Umkhanyakude Municipalities	-	-	9,200	-	7,403	7,403	-	-	-
B KZ271 Umhlabyalingana	-	-	3,000	-	2,000	2,000	-	-	-
B KZ272 Jozini	-	-	2,750	-	2,203	2,203	-	-	-
B KZ273 The Big Five False Bay	-	-	150	-	3,200	3,200	-	-	-
B KZ274 Hlabisa	-	-	3,300	-	-	-	-	-	-
B KZ275 Mtubatuba	-	-		-			-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-			-	-	-
Total: uThungulu Municipalities	-	-	6,330	-	5,750	5,750	-	-	-
B KZ281 Mbonambi	-	-	600	-	1,150	1,150	-	-	-
B KZ282 uMhlathuze	-	-		-			-	-	-
B KZ283 Ntambanana	-	-	630	-	800	800	-	-	-
B KZ284 Umlalazi	-	-	-	-	2,700	2,700	-	-	-
B KZ285 Mthonjaneni	-	-	850	-	100	100	-	-	-
B KZ286 Nkandla	-	-	1,050	-	1,000	1,000	-	-	-
C DC28 uThungulu District Municipality	-	-	3,200	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	330	-	882	882	-	-	-
B KZ291 Mandeni	-	-		-			-	-	-
B KZ292 KwaDukuza	-	-		-			-	-	-
B KZ293 Ndwedwe	-	-	150	-	82	82	-	-	-
B KZ294 Maphumulo	-	-	180	-	800	800	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-			-	-	-
Total: Sisonke Municipalities	-	-	4,614	-	3,070	3,070	-	-	-
B KZ5a1 Ingwe	-	-	950	-	200	200	-	-	-
B KZ5a2 Kwa Sani	-	-	1,560	-	-	-	-	-	-
B KZ5a3 Matatiele	-	-	-	-	1,100	1,100	-	-	-
B KZ5a4 Kokstad	-	-	1,404	-	170	170	-	-	-
B KZ5a5 Ubuhlebezwe	-	-	200	-	600	600	-	-	-
B KZ5a6 Umzimkhulu	-	-		-			-	-	-
C DC43 Sisonke District Municipality	-	-	500	-	1,000	1,000	-	-	-
Unallocated	-	-	-	26,000	-	-	24,785	13,273	24,538
Total	-	-	41,567	26,000	25,999	25,999	24,785	13,273	24,538

Table 11.N: Financial summary for the KZN Provincial Planning and Development Commission

R 000	Outcome			Estimated outcome 2005/06	Medium-term estimate		
	Audited 2002/03	Audited 2003/04	Audited 2004/05		2006/07	2007/08	2008/09
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	173	280	270	280	290	300	310
Sale of goods and services other than capital assets	–	–	–	–	–	–	–
Other non-tax revenue	173	280	270	280	290	300	310
Transfers received	2,558	2,000	2,300	2,500	2,625	2,700	2,800
Total revenue	2,731	2,280	2,570	2,780	2,915	3,000	3,110
Expenses							
Current expense	2,370	2,272	2,107	2,470	2,625	2,700	2,800
Compensation of employees	1	3	–	–	1	1	1
Goods and services	290	123	597	1,070	1,124	1,199	1,229
Depreciation	2,079	2,146	1,510	1,400	1,500	1,500	1,570
Interest, dividends and rent on land	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–
Unearned reserves (social security funds only)	–	–	–	–	–	–	–
Transfers and subsidies	173	279	270	310	290	300	310
Total expenses	2,543	2,551	2,377	2,780	2,915	3,000	3,110
Surplus / (Deficit)	188	(271)	193	–	–	–	–
Tax payment	–	–	–	–	–	–	–
Outside shareholders Interest	–	–	–	–	–	–	–
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	178	(268)	255	290	301	311	310
Adjustments for:							
Depreciation	10	10	10	10	11	11	–
Impairments	–	–	–	–	–	–	–
Interest	168	(278)	245	280	290	300	310
Net (profit) / loss on disposal of fixed assets	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Operating surplus / (deficit) before changes in working capital	366	(539)	448	290	301	311	310
Changes in working capital	3,734	(456)	–	–	–	–	–
(Decrease) / increase in accounts payable	3,729	(456)	–	–	–	–	–
Decrease / (increase) in accounts receivable	5	–	–	–	–	–	–
Decrease / (increase) in inventory	–	–	–	–	–	–	–
(Decrease) / increase in provisions	–	–	–	–	–	–	–
Cash flow from operating activities	4,100	(995)	448	290	301	311	310
Transfers from government	–	–	–	–	–	–	–
Of which: Capital	–	–	–	–	–	–	–
: Current	–	–	–	–	–	–	–
Cash flow from investing activities	–	–	–	–	–	–	–
Acquisition of Assets	–	–	–	–	–	–	–
Other flows from Investing Activities	–	–	–	–	–	–	–
Cash flow from financing activities	–	–	–	–	–	–	–
Net increase / (decrease) in cash and cash equivalents	4,100	(995)	448	290	301	311	310
Balance Sheet Data							
Carrying Value of Assets	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–
Cash and Cash Equivalents	6,733	2,519	3,954	4,020	–	–	–
Receivables and Prepayments	–	–	–	–	–	–	–
Inventory	–	–	–	–	–	–	–
TOTAL ASSETS	6,733	2,519	3,954	4,020	–	–	–
Capital & Reserves	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–
Post Retirement Benefits	–	–	–	–	–	–	–
Trade and Other Payables	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–
Managed Funds	–	–	–	–	–	–	–
TOTAL EQUITY & LIABILITIES	–	–	–	–	–	–	–
Contingent Liabilities	–	–	–	–	–	–	–

Table 11.O: Financial summary for Umsekeli

R 000	Outcome			Estimated outcome 2006/07	Medium-term estimate		
	Audited 2003/04	Audited 2004/05	Audited 2005/06		2007/08	2008/09	2009/10
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	5,856	5,914	5,498	6,720	–	–	–
Sale of goods and services other than capital assets	3,572	4,147	2,945	23	–	–	–
Of which:							
Admin fees	3,572	4,147	2,945	23	–	–	–
Sales by market establishments	–	–	–	–	–	–	–
Non-market est. sales	–	–	–	–	–	–	–
Other non-tax revenue	2,285	1,767	2,554	6,696	–	–	–
Transfers received	21,322	22,337	20,259	17,173	–	–	–
Total revenue	27,178	28,251	25,758	23,893	–	–	–
Expenses							
Current expense	153,733	35,251	23,589	46,388	–	–	–
Compensation of employees	23,694	23,712	18,425	23,099	–	–	–
Goods and services	664	5,052	4,504	2,492	–	–	–
Depreciation	129,374	6,486	660	–	–	–	–
Interest, dividends and rent on land	–	–	–	20,797	–	–	–
Interest	–	–	–	20,797	–	–	–
Dividends	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–
Unearned reserves (social security funds only)	–	–	–	–	–	–	–
Transfers and subsidies	7,396	5,866	3,221	2,541	–	–	–
Total expenses	161,129	41,117	26,811	48,929	–	–	–
Surplus / (Deficit)	(133,951)	(12,865)	(1,053)	(25,036)	–	–	–
Tax payment	–	–	–	–	–	–	–
Outside shareholders Interest	–	–	–	–	–	–	–
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	129,374	318	359	–	–	–	–
Adjustments for:							
Depreciation	129,374	318	359	–	–	–	–
Impairments	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–
Net (profit) / loss on disposal of fixed assets	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Operating surplus / (deficit) before changes in working capital	(4,577)	(12,547)	(694)	(25,036)	–	–	–
Changes in working capital	2,881	11	(4)	(1,197)	–	–	–
(Decrease) / increase in accounts payable	(1,171)	2,673	(5,914)	(2,836)	–	–	–
Decrease / (increase) in accounts receivable	4,022	10,830	2,786	2,344	–	–	–
Decrease / (increase) in inventory	–	–	–	–	–	–	–
(Decrease) / increase in provisions	2,877,805	(2,481)	(589)	(704)	–	–	–
Cash flow from operating activities	(1,696)	(12,536)	(697)	(26,233)	–	–	–
Transfers from government	–	–	–	–	–	–	–
Of which: Capital	–	–	–	–	–	–	–
: Current	–	–	–	–	–	–	–
Cash flow from investing activities	(14,120)	(5,919)	(8,039)	(6,207)	–	–	–
Acquisition of Assets	(315)	(560)	(139)	–	–	–	–
Other flows from Investing Activities	(13,805)	(5,360)	(7,900)	(6,207)	–	–	–
Cash flow from financing activities	11,410	11,602	7,498	5,700	–	–	–
Net increase / (decrease) in cash and cash equivalents	(4,406)	(6,854)	(1,238)	(26,740)	–	–	–
Balance Sheet Data							
Carrying Value of Assets	22,130	25,765	19,528	16,435	–	–	–
Investments	74,733	76,823	90,857	100,157	–	–	–
Cash and Cash Equivalents	4,860	12,856	4,753	1,290	–	–	–
Receivables and Prepayments	17,461	2,793	3,159	470	–	–	–
Inventory	–	–	–	–	–	–	–
TOTAL ASSETS	119,185	118,237	118,297	118,353	–	–	–
Capital & Reserves	(4,706)	(11,464)	(12,399)	(14,077)	–	–	–
Borrowings	95,348	102,265	109,763	115,463	–	–	–
Post Retirement Benefits	10,355	15,040	15,040	15,040	–	–	–
Trade and Other Payables	6,880	9,553	3,639	803	–	–	–
Provisions	2,109	2,843	2,254	1,124	–	–	–
Managed Funds	–	–	–	–	–	–	–
TOTAL EQUITY & LIABILITIES	109,986	118,237	118,297	118,353	–	–	–
Contingent Liabilities	–	–	–	–	–	–	–